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ISSUE

MAY 25th, 1957

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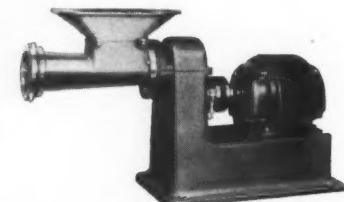


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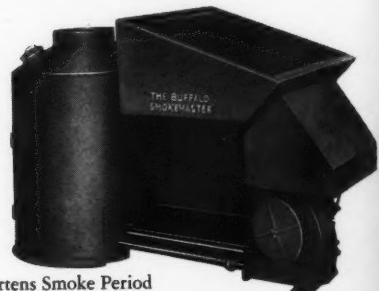
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THE NATIONAL

PROVISIONER

VOL. 136 No. 21

MAY 25, 1957

Save With Research

NIMPA's tentative plan to set up a scholarship fund as a memorial to the late Wilbur LaRoe, with the scholarships being used to foster research into meat industry scientific, operating and economic problems, is a project which should have the support of the whole industry.

We are convinced that some of the industry's basic economic difficulties, over which its leaders have gnashed their teeth for 10, 15 and 20 years (and even 50, 75 and 100) cannot be resolved until better answers have been found than—to give one example—"sell it or smell it." If greater stability could be achieved in the marketing of livestock, and some of the time imperative could be removed from the sale of meat, the industry would be in a much better position to seek and make a fair profit.

Then, perhaps, there would be some chance of realizing the formula A (cost) + B (profit) = C (the price we will get for our products), instead of being stuck with C (the price we will get for our products) = (we hope) A (cost) + B (profit).

Research, research, never-ceasing research, should provide the answers.

Without wishing to be facetious in connection with such a serious subject, we do suggest that a "piggy" bank labeled "research" might be installed in the executive office of every packinghouse and in every industry meeting room. We suggest that whenever an individual feels impelled to cry out against some of the ills inherent in the industry in its present state, he, instead, should set a fair value on his time (or breath) and stuff a corresponding sum in the "research" bank.

Such action, we believe, would be an effective way of shortening the period of his own company's distress and that of the whole meat packing industry.

News and Views

A Logical Solution to the jurisdictional problem created by the definition of "packer," as used in the Packers and Stockyards Act, was proposed this week by Senator Everett M. Dirksen (R-Ill.). Senator Dirksen would define "packer" as any person primarily engaged in the business of buying livestock for slaughter, preparing meats and meat food products and preparing livestock products. The Secretary of Agriculture would retain regulatory authority over packers in all their activities. Firms not coming within the "packer" definition would be regulated by the Federal Trade Commission except with respect to any purchasing of livestock for slaughter, which the Secretary of Agriculture would continue to regulate. Senator Dirksen has drawn up his recommendations as an amendment to S-1356, the bill which would transfer regulatory authority over packers to the FTC. He said he will introduce the amendment when S-1356 reaches the Senate floor. Proponents of S-1356 have based much of their argument on the fact that companies primarily engaged in other activities, such as retail food chains, now can avoid FTC regulation by buying a 20 per cent interest in a meat packing plant.

The USDA also suggested such a solution this week during Senate judiciary subcommittee hearings on S-1356. In a letter to the subcommittee, True D. Morse, under secretary of agriculture, urged amendment of the present law to exclude firms primarily engaged in other businesses. He said the P & S Act also should be amended to allow the FTC to exercise USDA powers at the discretion of the latter. Morse warned that division of the USDA's antitrust authority and its other regulatory authority over packers "would seriously handicap the accomplishment of the purposes of the present act." Support for this view was given in a statement read to the subcommittee by Earl L. Butz, assistant secretary of agriculture, on Wednesday.

In the meantime, two House subcommittees announced that they will hold joint hearings June 5, 6 and 7 on five House bills that are similar to S-1356. The bills are HR-5282, HR-5283 and HR-5284, which have been referred to the commerce and finance subcommittee of the House interstate commerce committee, headed by Rep. Peter Mack (D-Ill.), and HR-7038 and HR-7319, which were referred to the House judiciary antitrust subcommittee, headed by Rep. Emanuel Celler (D-N.Y.).

Florida Would Pay the entire cost of its state meat inspection program under a bill passed by both houses of the legislature and sent to Governor Leroy Collins for signature this week. The measure, which was initiated by the Florida Independent Meat Packers Association, recognizes that inspection is a protective service that the state owes to the public. It appropriates a total of \$1,125,000 for the program for the next biennium. Inspection now is mandatory in Florida for all plants killing more than 20 cattle or 35 hogs a week.

A statewide compulsory meat inspection program also would be established in Oregon under a three-bill package passed recently by both houses of that state's general assembly and sent to Governor Elmo E. Smith. The state would provide \$400,000 for the program in the next biennium, or approximately 80 per cent of the total \$516,000 cost, with inspected plants paying the balance. The new program would affect about 115 Oregon plants not now under federal or city inspection.

In another state, North Carolina, a bill that would have set up a mandatory inspection program administered by the state department of agriculture was killed by the senate agriculture committee. The measure was supported by the North Carolina Meat Packers Association. North Carolina now has a voluntary inspection service conducted by the state board of health.

Here Is NIMPA in 16th Meeting



ACTIVITY in a number of fields in which the National Independent Meat Packers association is working diligently, "crested" during the sixteenth annual meeting of the group, held in the Palmer House at Chicago, May 11 to 14.

A new NIMPA Accounting Conference was formed (see page 79) to bring meat industry accountants together and to utilize the association's cost manual and the comparative cost study technique which has been evolved (see pages 80 and 81).

At a meeting prior to the convention, the NIMPA board of directors decided that the association would neither oppose nor approve the request of three large packers for modification of the consent decree, but would aid any of its members who might be endangered by the change. The board also decided to continue in its position of neutrality with respect to the proposal to transfer regulatory power over meat packers from the U. S. Department of Agriculture to the Federal Trade Commission. (This transfer is supported by the Western States Meat Packers Association and opposed by the American Meat Institute.)

At another gathering the board took the first steps toward establishing the Wilbur LaRoe Memorial Foundation. The primary purpose of the Foundation will be to establish scholarships and grants-in-aid at various universities to carry out research in fields affecting the meat packing industry.

The association's grass roots strength was demonstrated in reports by the vice presidents (page 60) on their regional programs, and at the division meetings on Sunday, May 12. A number of new state associations of meat packers, to which NIMPA has given a helping hand, compared notes on objectives and methods at a meeting on the same day (page 77) and planned a clearinghouse for exchanging information.

The program for the NIMPA convention was designed to provide "how" answers for sales, cost and personnel problems of meat packers. While president Chris Finkbeiner told the conventioneers that they lose many retail

customers through indifference and unsettled grievances, he also suggested (page 63) "how" these customers can be retained and new ones can be acquired.

Sales expert Fred Sharpe advised an attitude of intolerance toward retail chiselers and within-the-industry price cutters (page 67), but also told "how" to fight this cancer.

In the field of keeping customers and building sales, store engineer Ralph Ernst told the packers "how" to think retail (page 71) and C. E. Fessel recommended an integrated advertising and sales approach (page 74).

Sales analysis is imperative if packers want to know "how" and where they are going, according to E. L. Mercing (page 92), and the use of tabulating machinery to obtain vital sales, cost and operating information was described by D. F. Timmons (page 96).

Voluntary or mandatory changes in industry slaughtering methods appear to be inevitable and a late afternoon session was devoted to objective analysis of so-called "humane" methods and instruments (page 99).

Some of the problem involved in keeping packinghouse workers safe, productive and happy were covered in a worthwhile meeting on personnel. Elmer Koncel described "how" proper safety attitudes and practices can be established (page 108); J. A. Burdette gave an approving nod to cost of living allowances (page 113); John Faust demonstrated "how" the stack of fringe benefits is thickening; G. A. Dash told "how" arbitration can be used in the collective bargaining process (page 119), and D. J. Twedell reminded the packers that "human" might well be substituted for "industrial" in speaking of relations with plant employees (page 129).

The "how-to-do-it-better" knowledge of the industry's suppliers was drawn upon freely at the convention, not only in the exhibit hall where equipment and supplies were shown (page 133) but also during special periods when representatives of supply firms furnished information on packaging (page 104) and their promotional help for the industry (page 137).

Here Are Men Who Guide NIMPA



C. FINKBEINER



J. B. HAWKINS



W. L. MEDFORD



J. A. KILICK



E. H. PEWETT

CHRIS E. FINKBEINER, president of Little Rock Packing Co., Little Rock, Ark., was elected to his fourth term as president and chairman of the board of the National Independent Meat Packers Association during the organization's 16th annual meeting in Chicago.

J. B. Hawkins, general manager of Lykes Bros., Inc., Tampa, Fla., was elected first vice president and vice chairman of the board. W. L. Medford, president of Medford's, Inc., Chester, Pa., was re-elected treasurer, and John A. Killick was renamed as executive secretary. New general counsel, chosen to succeed the late Wilbur LaRoe, jr., is Edwin H. Pewett of Washington, D. C.

Divisional vice presidents, who took office at the annual meeting, are:

Central division, Alan J. Braun, The Braun Bros. Packing Co., Troy, O.; eastern, Carl H. Pieper, Oswald & Hess, Inc., Pittsburgh; midwestern, Edward W. Olszewski, American Packing Co., St. Louis; southern, J. J. Swick, Copeland Sausage Co., Alachua, Fla.; southwestern, John O. Vaughn, Oklahoma Packing Co., Oklahoma City, and western, Julius Hoffman, Hoffman Bros. Packing Co., Los Angeles.

Members of the board of directors, listed by division and date of expiration of terms, follow:

Central—1958, L. E. Liebmann, Liebmann Packing Co., Green Bay, Wis.; J. E. Schlicht, The Zehner Packing Co., Bellevue, O., and Floyd Segel, Wisconsin Packing Co., Milwaukee; 1959, Carl Lavin, Sugardale Provision Co., Canton, O.; W. R. Young, Field Packing Co., Owensboro, Ky., and Walter Emge, Emge Packing Co., Fort Branch, Ind.; 1960, Alan J. Braun, The Braun Bros. Packing Co., Troy, O.; Emil A. Schmidt, Schmidt Provision Co., Toledo, and Scott Petersen, jr., Scott Petersen & Co., Chicago.

Eastern—1958, Albert F. Goetze, Albert F. Goetze, Inc., Baltimore; John Krauss, John Krauss, Inc., Jamaica, N. Y., and F. Howard Firor, Merkel, Inc., Jamaica, N. Y.; 1959, E. R. Habbersett, jr., Habbersett Bros., Media, Pa.; Bernard D. Stearns, B. D. Stearns, Inc., Portland, Me.,

and Herbert Rumsey, jr., Tobin Packing Co., Inc., Rochester, N. Y.; 1960, John J. McKenzie, McKenzie Packing Co., Burlington, Vt.; George W. Kern, George Kern, Inc., New York City, and Franklin L. Weiland, Weiland Packing Co., Phoenixville, Pa.

Midwestern—1958, E. Y. Lingle, Seitz Packing Co., Inc., St. Joseph, Mo.; Harry J. Reitz, Reitz Meat Products Co., Raytown, Mo., and H. A. Elliott, Elliott Packing Co., Duluth, Minn.; 1959, Gus Glaser, Gus Glaser, Inc., Fort Dodge, Ia.; M. J. Sambol, Sambol Packing Co., Kansas City, Kan., and B. F. Stauffer, Stauffer Food Co., Rocky Ford, Colo.; 1960, Carl C. Neuer, Maurer-Neuer Corp., Kansas City, Kan.; Lloyd Needham, Sioux City Dressed Beef, Inc., Sioux City, Ia., and Virgil Ohse, Ohse Meat Products Co., Topeka, Kan.

Southern—1958, A. D. Griffith, Southland Provision Co., Orangeburg, S. C.; Ernest Hicks, Bryan Bros. Packing Co., West Point, Miss.; Gerald H. Meddin, Meddin Packing Co., Savannah, Ga., and Ernest Hinterkopf, Durr Sausage Factory, Miami, Fla., (replacing J. J. Swick for one year); 1959, J. J. Swick, Copeland Sausage Co., Alachua, Fla.; Joel E. Harrell, jr., Joel E. Harrell & Son, Inc., Suffolk, Va., and Arnold Autin, Autin Packing Co., Houma, La.; 1960, Oliver L. Haas, Haas-Davis Packing Co., Mobile, Ala.; A. C. Bruner, East Tennessee Packing Co., Knoxville, Tenn., and Earl T. Jones, Jesse Jones Sausage Co., Raleigh, N. C.

Southwestern—1958, Felix Schlosser, Morrilton Packing Co., Morrilton, Ark.; Thomas G. Wright, Canadian Valley Meat Co., Oklahoma City, Okla., and Walter Webb, Webb & Co., Helena, Ark.; 1959, Ray Turvey, Turvey Packing Co., Blackwell, Okla.; Ray F. Johnson, Lubbock Packing Co., Lubbock, Tex., and Matthew Brown, Western Meat Packers, Little Rock, Ark.; 1960, H. F. Glover, Glover Packing Co., Roswell, N. M.; D. J. Twedell, Houston Packing Co., Houston, Tex., and Lee Harris, Harris Meat & Produce Co., Oklahoma City.

Western—Matt Smith, S & S Packing Co., Cheyenne, Wyo., and H. W. Larson, Montana Meat Co., Helena.



A. J. BRAUN



C. H. PIEPER



E. OLSZEWSKI



J. HOFFMAN



J. O. VAUGHN



J. J. SWICK

Policy of Increasing Service to M Cost and Labor Fields Stressed b

SUCCESSFUL association efforts to help meat packers in such fields as sales, costs and labor relations will be followed up by other helpful programs, members of the National Independent Meat Packers Association were told by their national and regional officers at the opening of the sixteenth annual meeting of the group in the Palmer House at Chicago on May 11.

A tribute to the late Wilbur La Roe, general counsel of the association, marked the start of the convention (see page 61), and this was followed by the report of the president.

PRESIDENT CHRIS FINKBEINER: I would like to give you the report of the chairman and the president.

First I want to talk about our association, and then I would like to talk about our industry. I would like to lead off with this remark: The National Independent Meat Packers Association is larger than it was last year when we met here. It is in better financial condition than it was when we met here last year.

You are attending what will turn out to be, according to our advance registration, the largest convention that NIMPA has ever had. We had a turnout of directors at our meeting yesterday that would really warm your heart, as it did mine.

When you report to your board or your members that you are doing a little bit better than you did last year, then you are in business. However, when you tell them you are much, much better off than you were, then you are really in business. Enthusiasm and confidence will make anything grow. I would certainly be wrong in my report to you if I didn't profess plenty of enthusiasm and plenty of confidence concerning the work and the progress of the National Independent Meat Packers Association during the past year.

You measure an association by its progress. Effectiveness is not measured in dollars and cents, because we are a non-profit organization. We are not supposed to build

up cash. We are supposed to render service and bring about progress in the industry. Our accomplishments have been many and fine.

I think that when we left here last year we said, "There are three things that we want to work especially hard to accomplish." One of those things was to do a better job of cost accounting in our industry.

Another field was labor relations. We wanted to do a better job there.

The third objective was a sales training program. I don't want to brag, but we have done an industry job this year for which any organization could be proud. We have given to our association and to our industry an effective sales training program that has been self-sustaining.

I would like at this time to emphasize the value of our cost control program and our cost accounting manual. A tremendous amount of work has been donated to our industry by certain individuals on our cost accounting committee to build this program.

The biggest mistake that we could make would be not to use it effectively. We had a very good example of the work that can be accomplished through our cost accounting manual when we made a sliced bacon cost study. A number of packers participated and when their sheets came in we found a variation in costs of from 2 to 14¢ a lb. We can certainly feel free to discuss costs and that is a problem about which we must be more conscious.

Last year, we did a terrific job of developing and attempting to use our manual. This is another year. We need really to use it and to get into the act of comparing our costs so that we can do a more effective job of bringing the meat products of America to the housewives in a more economical way.

I would like to have us start thinking so that, at the end of a couple of days, we can come up with some answers to industry cost problems.

QUICK CAMERA SHOTS during sessions catch members of the audience.



to ed Members in Sales, by NIMPA Leaders

When you go into your year with some 6 or 7 per cent fewer hogs, and fewer cattle and lambs, and some 14 per cent more turkeys and more chicken, then you have red meat on a pretty uncomfortable spot.

Let's see what happened in our industry during three months that were profit-wise, not only pathetic but also damn near disastrous. The months were November, December and January. Let us compare them with the same three months a year earlier.

Compared with November a year earlier, from an overall cost basis our raw material—cattle and hogs—went up 31 per cent.

Our wholesale prices increased 7 per cent. In other words, while we paid 31 per cent more for our raw material, the industry, as a whole, sold it for only 7 per cent more. That takes brains; that isn't easy to do.

The next thing in which we are interested is the average retail selling price. It increased 5.7 per cent. So, while our raw material went up 31 per cent and we had guts enough to get 7 per cent more (wholesale) for our meat, the mass market distributors and supermarket boys raised their prices 5.7 per cent.

What happened in December? Compared with a year earlier, the price of our raw material averaged 53 per cent higher and we obtained an increase of 25 per cent in the price of meat. In the face of a 53 per cent increase in the cost of materials, packers were smart enough to sell their meat for 25 per cent more. Here, again, is a wonderful achievement that cannot be accomplished by too many industries. Meanwhile, our supermarket brethren marketed our products for 12 per cent higher prices.

The next figure we have is a 52 per cent increase in our raw material cost for January compared with a year earlier. We really got sharp in January and we increased our prices 18 per cent over January, 1956. Our retail outlets increased their prices 6 per cent.

When we pay 52, 53, or 31 per cent more for our



SKIPPER (SHIP AHOY) Chris Finkbeiner, and his new first mate, J. B. Hawkins, Lykes Bros., Inc., clasp hands at cocktail party.

livestock, and then go out and do a rotten job of selling and merchandising, where does the responsibility lie? It lies right with us.

You may say, "We can't get any more for our meat." That is pretty obvious, isn't it? The reason you don't get any more for your meat is because the retailers don't want to increase their prices. Evidently they are more determined that you shall not get more for your product than we packers are that we will. They are so much more determined that these figures just make us look sick.

Therein lies the challenge of our convention, but we should remember that the answer is here in this convention, too. The answer to the situation lies in knowing your costs and doing a better job of selling and merchandising.

I would just like to let you know, as your president, about the terrific job that your divisional vice presidents have done this year. I think the best way to do it is to present each one and have him give you a report on his division.

VICE PRESIDENT CARL H. PIEPER (Oswald & Hess Co., Pittsburgh, Pa.): I think that what we in the eastern division want to do is to look forward to new fields. Where are we going? What are we going to do?

We will have our next meeting in the Willard hotel in Washington, D. C., on December 5 and 6.

VICE PRESIDENT ALAN J. BRAUN (The Braun Bros. Packing Co., Troy, Ohio): The central division held its annual meeting in Indianapolis on January 25 and 26. We had about 250 in attendance, and the meeting proved to be an excellent one. We had with us Joseph Cohen, general counsel for the Meat Trade Institute of New York City, who spoke to us on state and local meat inspection and laws and problems in connection with such

... giving rapt attention, taking a few notes and listening relaxedly.



inspection. Fred Sharpe covered sales and Cletus Elsen discussed accounting.

We elected several new members to the board. Those elected included Carl Lavin, Emil Schmidt, Scott Petersen, jr. and Alan Braun.

In the central division, which is made up of Ohio, Kentucky, Indiana, Michigan, Wisconsin and Illinois, we have two state associations. These are in Ohio and Kentucky. We in Ohio are going along very well.

We in the central division like to feel that we are going places. We were very elated with the wonderful turnout that we had in Indianapolis and we hope to have a bigger crowd in Cincinnati in mid-January, 1958.

VICE PRESIDENT JOHN O. VAUGHN (Oklahoma Packing Co., Oklahoma City): I am happy to report that in the southwestern division there has been more progress made during the last year or two than ever before in the history of NIMPA. Arkansas has, in the Arkansas Independent Meat Packers Association, a wonderful state association. Two years ago, we in Oklahoma formed a state association, and with the cooperation of NIMPA we started work on the legislature, I am happy to say that we now have a state meat inspection program and the state is paying 85 per cent of the cost. The state started out at zero.

NIMPA really helped us. Chris Finkbeiner and John Killick both came to Oklahoma City and met with our senators and representatives and governor; they really helped us to get the ball going. We feel that NIMPA has helped us tremendously.

Texas packers have formed a state association, and I am sure they will come up with one of the best state associations outside of Oklahoma and Arkansas.

But, seriously, we feel that NIMPA is doing a wonderful job in the southwestern division. I will say this: We make the pledge to you, Mr. President, that a year from today we will come up with about a hundred new members in the southwestern division.

VICE PRESIDENT J. B. HAWKINS (Lykes Bros., Inc., Tampa, Fla.): We have been quite active in the southern division in sponsoring state associations. We had the largest divisional meeting that NIMPA has ever had with the attendance close to 400. We had a good time and a good program.

The southern division will keep going. The members are interested. We probably have more in attendance in the room now than any other division.

VICE PRESIDENT J. J. SWICK (Copeland Sausage Co., Alachua, Fla.): We have a lot of hopeful ambition and a lot of enthusiasm in the southern division. I would like personally to visit with every member we have in the southern division. I don't know whether I can or not, but I would like to. If I can't do that, I would like to

have as many of you folks as possible come by and visit with me.

I would like to have invitations from state associations to attend their meetings and give you some reports on our state association and to hear about yours. We would like, in the southern division, to tie in our members with NIMPA at the national level.

We will have our convention in New Orleans on November 1 and 2. I hope we will be able to break the record that J. B. Hawkins has set for us.

SECRETARY JOHN KILLICK: This will be the fourth occasion on which I have stood before you as the steward of the administrative affairs of NIMPA, and have given the annual report of the executive secretary.

Until just about a month ago, I looked forward to this year's appearance with great joy and anticipation, because I knew that the report which I was then preparing would particularly gladden the heart of Wilbur La Roe. I stand before you now with a sense of emptiness, loneliness and sadness, because few knew as well as I how deeply and dearly Wilbur loved NIMPA and how proud he would have been that the goals and objectives that he had sought for so many years were nearing attainment.

Consequently, what I tell you here today is not nearly so much of a report of your association's gains and successes as it is a tribute to the ideals, devotion and integrity of Wilbur La Roe. As I said earlier today, he would have been the first one in the room to get on with the business, so I will go on with my report.

When I stood here a year ago, I did so with a little bit of apprehension because we had just taken what seemed to be a rather important step—we had raised the dues. We hadn't had the raise out long enough to know whether we were still going to have an association or not. However, I am happy to report that the dues increase has had very little effect on the number of memberships.

Reporting for treasurer Bill Medford, I can tell you that it has had a marvelous effect on our financial situation. I think the fact that the dues increase has been accepted as well as it has is due to the popularity that your association has achieved.

I am not going to bore you with a lot of meaningless details. I can tell you this: We took in approximately \$35,000 more than we had in the preceding year and we wound up the year with a substantial excess of revenue over expenses. As a matter of fact, this year we are going to be able to restore some of the reserve which we had used in developing certain of our programs.

We do not view NIMPA as a money-making organization. We do view this additional revenue as affording an opportunity to increase and expand our services; an op-

FOR ONCE, president Chris Finkbeiner is not in movement, but smiles....



portunity to bring more programs that will be of help to you. In other words, we don't have to start chewing our nails every time we look around to initiate some of these programs.

I believe each of you in this room knows that programs such as the ones that NIMPA has been conducting cost money. Our only hope is that the money that is being spent will come back to you many times over in value, and will make you feel that your membership has contributed something to your own individual operation and to the growth and stability of the industry as well.

I think this would be an appropriate point to mention and to commend your Washington staff who work with me. In all sincerity, I don't know of any group of the size that turns out a greater volume of work. Some of my fellow trade association executives are a little bit amazed to learn that our office can handle the administrative, correspondence, clerical and other details, not to mention staging and managing a convention for a national association of about 600 members. It is all the more remarkable because I, as you know, set some kind of a mileage record on travel that takes me out of the office a good deal of the time.

The fact that the office runs as smoothly as it does is a tribute to the people who stay there and do the business.

SALES: As Chris has mentioned, the sales training program has proved self-liquidating. We were not trying to make money on Fred Sharpe, but we have been happy to keep the program on a basis where we have not lost a lot of money. Frankly, I wouldn't have minded, and I don't think you would, if we had lost a little, because the value of the program cannot be measured solely by a financial yardstick.

Another program that you will hear a lot about at this convention is your accounting manual and plan. We have managed to keep that work on a self-liquidating basis.

I want to emphasize the importance of the meeting on Monday, because it will be the start of the first real use of the NIMPA accounting manual. We are going to organize the NIMPA Accounting Conference as a tool to carry on the survey work that has only been started, and to distribute information on accounting problems at a regional and, perhaps, even a local level.

Although the conference is primarily composed of accountants, we have deliberately left the membership door open for others. One of the values of this program will be to bring to management, in plants which do not have an accountant, the help and information that is available in the manual. Such an executive is the fellow who usually needs the help. We want to organize the conference as an agency through which accountants will be able to meet, air their problems, get some solutions, and be of real, practical value in this campaign we are

An Old Friend Pays Tribute to Wilbur La Roe, NIMPA's Counsel

Charles H. Albers, a long-time friend of Wilbur La Roe, and a member of the executive committee of the National Presbyterian Men, paid the following tribute to the late general counsel of NIMPA:

"Wilbur La Roe, a good friend of us all and one devoted to the cause of this organization, is not with us this morning. We shall miss him, but we shall not forget him.

"We who knew Wilbur intimately knew that he was no ordinary person. He was human, to be sure, but his was a Christ-centered life, with God's will, as he saw it, dominating everything that he did.

"As statesman, humanitarian and churchman, he carried more than his full share of every responsibility in both the secular and spiritual fields, also endeavoring to do whatever he did in a manner that would glorify God and serve well his fellow men.

"The church, to which he was ordained an elder in 1915 and of which he was moderator in 1947, was very near and dear to his heart. He gave liberally of himself to its cause. A lawyer by profession, he was nevertheless its full-time servant. At every opportunity he carried the teachings of Jesus Christ to where men were, showing in everything he did evidence of what he believed. Wilbur always knew that the road he traveled was the right road, whether it happened at the moment to be rough or smooth, because Christ walked it with him.

"This blessing of close fellowship with his God he tried to impart to all who knew him. Wilbur, indeed, left with us a part of himself that will surely be remembered for good."

staging to get meat packers to know their costs.

MARKETS: Your Washington office is now on the verge of taking some big steps in connection with your market reporting service. It started gradually. We know there are some of you, particularly in the South, who have been waiting for the service to be extended to your area. We are now negotiating with AT&T and the Department of Agriculture to see whether we can't set up a new circuit out of Atlanta and get this valuable service into the hands of the members in that area.

I am going to touch briefly on the central library of industrial relations. John Mohay has been trying to accumulate material on fringe benefits and all of the things

smiles.....quietly, in contrast to the sober group of conventioneers pictured.



that are pertinent to your labor and personnel relations.

We have specific plans for enlarging the scope of the service and making it more valuable. It is the only central library in our industry. It is in its infancy, but I think the time will come when you will look back at the start of this program, which you directed a year ago, as being a really significant contribution to the industry.

One aspect of our program that goes on the year 'round is the maintenance and the establishment of friendly relations with other members of the meat industry team. This takes a lot of doing. Once we become friends with them, the effort of trying to follow their meetings and conventions requires serious and sustained effort.

During the past year, I have attended meetings of the American Meat Institute, Western States Meat Packers Association, American National Cattlemen's Association, the National Beef Council, and the Hotel and Restaurant Meat Purveyors Association. I have been honored and proud to serve as a member of the executive committee of Livestock Conservation, Inc.

I usually try to attend other trade shows such as the American Society of Association Executives, and the National Association of Exhibit Managers. While these groups have no direct relation to the meat packing industry, I can assure you that every meeting I have attended has produced new ideas, new services and new ways of doing things which have been reflected in your own association.

COOPERATION: President Finkbeiner mentioned briefly the new so-called industry committee. I would like to say that, in the eyes of Mr. La Roe, the creation of this committee was an important step, both for NIMPA and the industry. I think you will be feeling its impact for many years.

At this point, I would like to pay high tribute to the American Meat Institute and Homer Davison. If it had not been for the cooperation of the AMI in this project, it would not have come about. I think the association has done a great service for us and the industry in cooperating as it has in this matter.

We have had, as you know, a marked increase in activity on the legislative and administrative fronts. I would like to discuss some of the things that are vital to your operation.

First is the humane slaughter bill. Wilbur La Roe testified at one congressional hearing and was moving very carefully and cautiously in presenting our views.

I tell you, frankly, we are on the spot. I tell you, honestly, if one of those bills hits the floor, I have no doubt that it will pass. Who is going to vote against it?

However, if S-1213 reaches the floor, it will not push us into rash change, but will give us time to study and solve this problem with the aid of science.

We have conceded that in some instances the industry may have been dragging its feet, but Wilbur La Roe's plea was that Congress should not pass any measure that would force immediate and radical changes, but, instead, place the problem in the hands of a committee under the Secretary of Agriculture for proper study and evaluation.

I cannot predict how the battle is going to come out, but I will tell you this: The forces that are behind the humane slaughter drive are smart, aggressive, well-handled, and if we bounce them back this time, they will be back on us. We must figure out a solution.

TRANSFER TO FTC: The other important thing is the hearing before the Senate's antitrust and monopoly sub-committee of the judiciary committee which resumed about two weeks ago. The proceedings began last August. At that time, Wilbur La Roe and Chris Finkbeiner testified before the O'Mahoney committee. There has been a radical change in the picture during the interim.

Last August the Federal Trade Commission was not actively pressing to obtain jurisdiction over the meat packing industry and, also, at that time, the Department of Agriculture was making no struggle to hold its jurisdiction. It was a very passive situation.

The situation has changed completely. At the new series of hearings the chairman of the Federal Trade Commission and the chief counsel of the Commission have been actively asking that jurisdiction over our industry be placed in their hands.

Conversely, the Department of Agriculture is fighting equally hard to retain the regulatory power over meat packers in the Department.

There has been an array of witnesses—mostly stacked in favor of the transfer of jurisdiction to the Federal Trade Commission.

The significant development is that Senator O'Mahoney, the chairman of the hearing, is also actively pushing for this legislation and has even made the public statement that before he dies, he is going to see to it that the meat packing industry is placed by Congress under proper regulation.

I will not fool you at all—Senator O'Mahoney is one of the most skillful "in-fighters" in the Senate. When he makes a remark like that, I can assure you that he is going to push the matter.

I am trying to give you a little of the tenor of the situation. I am not expressing an opinion as to what is good or bad, but I am merely reporting on the status of the matter. I think it is a question that we should all study carefully and on which we should make up our own minds. I know there is a sharp division of opinion among our own members on this subject, and that is why I am emphasizing the fact that I am not pushing one way or another. I am merely reporting facts to you.

A SLICE of the American meat packing industry was cut by the camera.



Customers—How We Lose 'Em

Indifference and Unsettled Gripes Are Major Causes of Mortality

THE time has come when competition is separating the men from the boys. When you separate the men from the boys, that means that some people are going to continue to do business in the American meat industry and some people are not. We need to find out what is happening in our economy and just what we can do to avoid being a "boy."

Last year Fred Sharpe described the three phases of our economy as he talked to you in your divisional meetings. One was the depression phase—when there were plenty of goods on the counter, but there certainly was not plenty of money to buy them. The second phase was during World War II when everybody had money and plenty of it, and no goods could be found anywhere. Now we are in the third phase, and the third phase is the one that separates the men from the boys. A lot of the boys have already been separated. We are in the phase when there is plenty of money and plenty of goods.

I notice a lot of you say, "Well, there isn't plenty of money." You know as well as I do that the banks today have salesmen going out attempting to get you to use their services and their money. They are not called "salesmen," they are called vice presidents. I agree with you that the way you have to get the money is to prove you don't need it, but if you can prove you don't need it, you can get all the money you want.

Money is certainly available, and in case you have an area where there isn't plenty of meat available, let us know. We will all be there. The people in Arkansas have a choice of 32 different brands of frankfurters. Thank goodness they are not stupid people. They know quality and the best things for them. I am happy to announce that we do the big percentage of the business. We plan to keep doing it that way, and I am sure that you do, too.

WHAT CAN WE DO? When you get into this economy and break it down into three phases, then you ask: "What can we do so we won't turn out to be boys?"

The only way we can be hurt in our business is to lose a customer. So, we need to check into how we lose our

PRESIDENT Chris Finkbeiner finds national study results verified by the experience of his own Little Rock company.

customers, or better yet, how we can keep them.

If you want to know how you are losing them, the best way is to go out and check. We received a national report sent out by a company that serves our industry. That report on how customers are lost came to my desk just like a lot of others; usually they are put in file "X" with the earlier ones. But a man happened to be standing by my desk and he didn't look busy so I told him, "See how this applies to our company."

He took our reports and the accounts we hadn't done business with for six weeks and had some checking done by the lady merchandisers we have at our plant. We call them the "Arkansas Maids." We felt that they could talk to some of the accounts a little differently and get some of the true facts. After the checking was done on the accounts that we had not done business with in the last six weeks, the percentages were so close to the national average, I decided I'd better say something about it.

I talked to our sales force and presented the report at our sales meeting. Now I would like to show you some of the findings on, "How We Lose Customers." We know that in our business we lose our accounts over periods because of price. We deal in price all the time. So let's say the first reason we lose customers is price, and then let's forget that. Now, let's go to the survey (see photo on page 65).

INDIFFERENCE IS BIG REASON: We find that 68 per cent of the accounts that we will lose this year will drift away because of our indifference. That figure really surprised me and what knocked me over was the similar percentage disclosed by the survey on our accounts with which we had not done business for six weeks. I started thinking: What is the definition of "indifference"? Webster has a definition, but there is only one true definition of indifference, and it is just plain "don't give a damn." When you have people who are indifferent representing you and driving 68 per cent of your customers away each year, you just can't believe it. That is a serious matter.

Now, I didn't say you were going to lose 68 per cent

in these candid photographs taken during the 16th NIMPA convention.



of your customers. I said 68 per cent of the ones that you lose are lost because of the indifference of somebody in your company—the telephone operator, the truck driver, the salesman, you, yourself.

It doesn't take too long to get to where you think, "Boy, I have all the answers." You prop your feet up, and the first thing you know, things don't concern you. That is indifference. You ask me, "How do you know?" You are looking at a guy that has said more than once, "I have all the answers now—let 'er rip."

You are driving away customers because of indifference.



HARDLY A MAN who is still alive could resist the tid-bits offered by Holly Ray at the Cryovac exhibit at the NIMPA meeting. Friendliness was stressed as a prime business asset by Finkbiner in his talk reported on these pages.

ence. I will never forget being in a civic meeting one day, and a fellow was giving a talk just like I am now. He asked, "How many of your employees are turning your customers away because of indifference while you are sitting right here trying to gain some fellowship and improve your business relations in the community?"

When you think about it, you begin to squirm a little bit. You go back and begin to look at your organization. One of the biggest shocks we had was five or six years ago. I called up my company just to find out who would answer the phone and see what they would say. Somebody had said, "That is an important link. People use phones and use them all the time. That is your first contact with people." You will be surprised to know that I was so busy seeing how stupid the other guy was, I never thought to call my own plant.

TRY OFF-HOUR CHECK: A lot of firms have somebody on the phone from 7 a.m. until 5 p.m. and then

service is perfect. Call at 5:30 p.m. and see what happens. Call at 6:45 a.m. I didn't believe that went on. We pay a man to be nice on the phone, but he is not there except from 7 to 5 o'clock.

Fourteen per cent of the customers that you will lose next week or next year will be lost because of unadjusted grievances. You ask, "What is that?" Some people did the finest thing in the world for you. They did business with you. They bought your products. That is the finest compliment that can come to you, and they were not happy with what happened. They had an unadjusted grievance. You say, "That doesn't happen. That is over-exaggerated." Is it?

There is a national firm that says, "If you are not happy, bring the item back. If you are not happy with it, come back and get your money and get something else." You may say that the company certainly couldn't build a reputation on that rule. Yet, that reputation is all over the country, or everywhere that Sears Roebuck & Co. does business. "Just bring that product back and get something that will make you happy." Right off the bat, Sears saves 14 per cent of its customers every year. Those people who come back are not happy or they were not happy, but they do return the item and buy another.

UNADJUSTED GRIEVANCE MORE SERIOUS: An unadjusted grievance, to me, is more serious than indifference. With indifference you drive customers off, but with an unadjusted grievance, the longer it goes: unadjusted the bigger thing it gets to be. Finally the customer just won't do any business with you. On indifference, you can send another salesman to the store.

We lose 68 per cent because of indifference and 14 per cent because of unadjusted grievances. These things applied so close to our company that they are bound to apply to yours, and maybe you don't know it. You say, "Well, give us the proof."

Take your accounts for the last six weeks and get somebody that is fair and say, "We are running a survey, and we are interested in knowing why you have not been on our books for six weeks. What is the reason?"

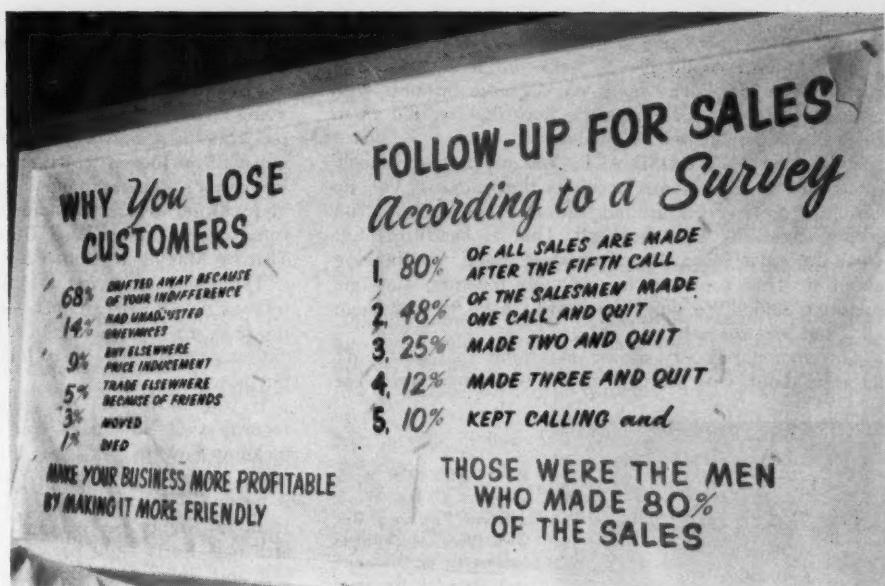
Get the real reason. Get somebody with sense enough to get the real reason. Then sit down and determine what is indifference and what is an unadjusted grievance. Price is important, but we talk about it every day all day long, and it becomes so important to us that we lose the real relationship that it has. This report shows where price belongs. Nine per cent of the lost customers buy elsewhere because of a price inducement.

You should devote 68 per cent of your time trying to define to your people what indifference is. A lot of people don't realize what it is.

I am a professional salesman. I have to work hard at

PAST PRESIDENTS Fred Tobin and Wells Hunt, with Albert F. Goetze, were

HUGE DISPLAY sign was used by speaker Chris Finkbeiner to show packers the reasons—most of them controllable—why they lose customers, and the exceptional perseverance required to acquire new ones. Although the figures were developed in national surveys, the speaker reported that he had confirmed them by studies made in his own organization.



it. I don't like to go anywhere—I don't care whether it is a hotel or a filling station or anything—and spend my money if I have not been properly sold and treated.

HERE'S AN EXAMPLE: I will show you one of the most simple forms of indifference. I went to a filling station a couple of days before I came up here. Only one of the attendants was there; I was in a hurry. I wanted to get my car filled with gas. The fellow had one of these money changers, and he had a heap of nickels. He was putting the nickels into the changer. I told him, "I am in a hurry. Are you ready?" He said, "I will be with you in just a minute. I have to get my money fixed first." He kept putting the nickels in.

What are his customers going to do? That attendant is indifferent. There are filling stations all over Arkansas. I didn't have to stop there. That man treated me indifferently. I don't give a darn about his nickels. He had better figure out, right quick, what is the most important thing, the business, or putting those damn nickels in that box. I grant you, he is not the man who owns the place, but the man who owns it hired him.

In any similar situation in your own firm, by association, you are guilty because your man is indifferent. You hired him. He is on your payroll and you are the one who is going to be hurt when customers don't come back there. I have to work in my business; I have to sell customers, and I don't like to give them to somebody else.

SOME SWITCH TO FRIENDS: Five per cent of your customers will be lost because they will trade elsewhere because of friends. That is only 5 per cent. According to your salesmen, 90 per cent of the reason is because of friends—they are fishing all the time. "You will never do any business with that guy," the salesmen say. The heck you won't. Only 5 per cent will have friends that influence their purchases.

We found this to be true. It is kind of hard to track down because a man won't admit that he is buying from another fellow because of friendship. Well, where did you get that shirt that you have on, your pants, your coat, your shoes? A lot of you have very personal friends in the clothing business.

The report shows us that 3 per cent of the lost customers had moved. We found that to be true. Down in Arkansas, a few more than that moved. That is a bad national average. We would like to be below it.

There is one account that I neglected to tell you about, and that is Sam Carter. He had a store in Little Rock a couple of years ago. He was doing all right, but he decided to move to Floral City, which is 150 miles from Little Rock. Our Little Rock salesman wrote our salesman in Floral City: "Carter has been a good customer of ours. He is moving to Floral City. Look him up when he gets there."

Our Floral City salesman went in when Sam Carter

... among the prominent meat packers who attended the convention sessions.

got there and said, "Mr. Carter, we did business with you in Little Rock. I live in Floral City. I have been here a long time. I would like to help you if I can." That didn't make Mr. Carter mad. We do more business with Sam Carter 150 miles from Little Rock than we did when he was right under our own nose.

YOU NEEDNT LOSE ALL: You are not necessarily going to lose all of your accounts that move if you do business pretty well around the state or region. You won't necessarily lose them all. That is heads-up stuff from our sales force. I am proud of them for thinking about it. That came up in our sales meeting, and one salesman said, "We don't necessarily have to lose them all," and we are not.

This national report shows one thing that you can't do a lot about. One per cent of your customers next year



KENTUCKIAN W. S. Johnson of the W. S. Johnson Packing Co., Owensboro, exchanges comments on the current state of the meat industry with A. L. Smith of the Smith Packing Co., Harrisburg, Ill.

are going to die. I'm not being hypocritical but when somebody dies, that is bad. When your customer dies, his family deserves the proper sympathy, condolences and your attention. If you get so busy that you don't extend your condolences, then that is not good; that is indifference. I hesitate to say this, but we make as good or a better customer when one of our customers dies because we always try to attend the funeral or have a person from our firm there. We always try to extend the proper sympathy. The deceased customer has his sons or some member of the family coming into the business. You get a closer relationship than you have ever had before.

I shouldn't say that, and I don't want to seem hypocritical. I can see you saying, "Hell, Finkbeiner gets up the first thing in the morning, looks at the obituaries, and then plans his day's work."

I talked about losing customers and separating the men from the boys. I said that this thing is a serious situation. It is so serious that there have been national efforts by big chains and other outfits in the business to start a friendliness campaign. They can do all of the stuff in the world they want to you but if they don't

take the customer away from you, they can't hurt you. And they can't take him away any other way except by getting friendly with him.

MAKE BUSINESS MORE FRIENDLY: You are not going to walk across the street for somebody you don't feel friendly towards. I guarantee everybody sitting here, you will not be separated as a boy next year if you don't lose any of your customers. And I guarantee you also that you will not lose any of your customers if you do as indicated here: "Make Your Business More Profitable Next Year by Making It More Friendly."

This thing of trying to take the "person" out of the picture won't work. Don't you forget it. You can mass produce up to a point, but you are not going to mass enthuse people—you may mass enthuse some of them, but not all.

If you know you are going to lose some customers, regardless of how hard you work at it, then you have to know how to get some. I am going to show you another survey on "How to Get Customers." This report is headed, "Follow-Up for Sales—According to a Survey." It says, "Eighty per cent of all sales are made after the fifth call. Forty-eight per cent of the salesmen made one call and quit." Half the salesmen, according to the national average, are ineffective. "Twenty-five per cent made two and quit." There you are separating the men from the boys.

"Twelve per cent made a third call and quit." After they went three times and tried to get the order, they quit. In sales, you have to be friendly with the people. Even in dating the girls, you used to have to date them three times before you could hold their hand. I don't know of any situation that you can get into where you get the order the first time you call. Any time you do get in that situation, the other guy can come in the first time and get that order too.

PERSEVERANCE PAYS: "Ten per cent kept calling, and those were the men who made 80 per cent of the sales." You don't believe that's true? I can show you in my own company with the people that we buy supplies from or buy materials or boxes from. The biggest proportion of the things we buy, over 80 per cent, is bought from one guy.

We were guilty of this ourselves. It applied to our company. I know, unless you are exceptional, it applies to you, too.

I can say this without fear of contradiction, the coming year will be a successful year for you if you will just apply this procedure to your company, find out what is happening and show your people.

Remember this one thing—I am going to quote Red Motley: "Nothing happens until a sale is made."

AUDIENCE PARTICIPATION is a feature of NIMPA meetings where packers...



Customers—How We Keep 'Em

Stop Inviting the Retailers to Chisel Your Prices Down



Says NIMPA Sales Expert FRED SHARPE

WHAT are these so-called customers of ours? They are the people who buy our products and keep us in business. If that were the whole story, then the meeting could adjourn most quickly. But, where do we stand today in relation to our customers and how do we keep them?

I think we do have a big problem, and we all seem to be somewhat in the same boat today. We are, I think, something like the four churches in a small town. A fellow was talking to one of the members of one of the churches one day and asked, "How is your church getting along anyhow?" The fellow said, "I tell you, it is just not doing a bit of good but, thank the Lord, the others aren't either."

I think sometimes we may not be getting along very well but we look around and say, "Thank the Lord, all the others are not doing any better." How is our church doing today? If it isn't doing right, are we thanking the Lord that the others are not doing any better? Maybe it is an example of the old saying that "misery loves company."

One year ago today I stood before you in this same room, and I described for you the three periods through which we had passed. One of them was that era in which we all had goods and no money. The second era was one in which we had all the money and no goods. I made the statement that we ought to take advantage of the third era in which we have an abundance of both.

Since I talked to you last year, something new has been added. What is it? What is that something new? We are not out of that third era. We still have all the merchandise. We still have all the money. Then, are we in a new age? It is only, I think, a growing one from the present status quo.

NOT A PLEASANT AGE: That growing age is not a pleasant one in my book. It is not a pleasant one to talk about. And yet, this something new that has been added prompts me to say this afternoon that I am going to try to offer you a remedy. What is it?

Somebody had a brilliant idea one day, and this may

apply to some of you. "I need more business," this man may have said. "I have to have bigger volume. I know how I will get it. I will go out and, whereas I am getting a certain portion of business, I know a better way of doing it. I will say to my dealers, 'You give me 2c less on the pound and I will supply you with merchandise.'"

Of course, the dealers began gobbling it up. Then some other packer salesman looked around and asked, "Why?" The answer he got was, "It is because I can buy it cheaper someplace else." The one phrase I have just quoted is the most cancerous thing in any industry in this world—"I can buy it cheaper some place else."

The shortsighted man might react this way: "Is that so? I will show you that you can't buy it cheaper than mine. I am not going to take time to train my sales people to say, 'Look, mister, here is the service that you get that you can't get there. Here is the quality kept fresh daily that you can't get there.' No, no. Instead of that, I will drive back to the plant and say to my boss, 'Listen the only way I can sell him is to undercut competition a penny.'"

We are falling for that old line all over the country. As a result, we are simply inviting our dealers to chisel us down and watch us go under, and don't think for one split second that they are going to lose sleep over it.

SOMETHING CAN BE DONE: There is something that can be done to overcome this problem. I have a letter from a boy who was doing the dead level best that he could to sell his boss on the idea that the only way to get the business was to cut the price lower than somebody else's. I said to him, "I wish you would do one thing for me. I wish you would go out and find the top market price, and price your beef 2c above it, and see if you can't sell it."

He did and sold more than he ever sold before. Why? Because he then began to sell people on things. He showed enthusiasm. We are getting away from it. We are beginning to get sick, and we are beginning to cry.

That cancer could have been killed if the first guy

...ask questions from the floor and volunteer some of the answers.



had said, "Let me devote a little more time; let me tell my sales people how they can overcome such price cutting." It is a cancer that is going to take us slowly, bit by bit, until the first thing you know, we can do nothing more than turn up our toes. If I can say anything in God's world this afternoon that might even retard that for a split second, I will be the happiest man that ever lived.

"I will go along" is one of the worst attitudes that can be found in this country today. How can we get away from it?

If everybody falls in line that would be simple, wouldn't it, but what are you going to do when one or two don't? I know that problem. You boys have told it to me so many times. If I knew the answer, you boys would have had it a long time ago in definite specific statements. You would have had it the very minute I knew. But here is something. Let me give it to you and let you think about and analyze it pretty carefully before you start throwing something at me. No. 1, we in the meat packing business ought to become more intolerant.

WE NEED TO FIGHT: Lack of intolerance is the thing that is hurting this great country of ours today, as much as anything else, as well as our own industry. We have come to the place where we want to go along with the crowd. We may not like it, but the old saying is: "What can you do about it?" We have forgotten how to get up on our hind feet and fight. Sure, if the others cheat, we will. Somebody else set the precedent so we will follow along. If somebody else lies about it, we will lie. If somebody else goes broke, . . .

Now is the time, if there ever was one, when we badly need men like those before us, and such as we have as the leaders and the directors of our organization, to stand up and fight and to become intolerant, if you please, of the things which are bad and base and wrong. Right now is the time while we still have the fight left in us.

Tolerance has become a little god with most of us. I know that some of you boys who have been sitting and listening to me for six or seven hours are probably going to say, "Fred, isn't that a little bit different from what you were talking to us about? The first rule you put on the board was: 'Agree with people.'"

No. Did you fellows notice that, though the word "agree" was there, I made it clear that there was a purpose in that one word? I didn't mean that you should agree that what the other fellow said was right. It is only a temporary means to get his coat open so you can give him the licking that he deserves. That is the purpose of agreeing, not to say, "Yes, you are right; everything goes," because that will not get us where we want to go.



FIVE SALESMEN OF North Side Packing Co., Pittsburgh, who won trips to the NIMPA convention by scoring the largest gains in sausage sales over 1956, are (second left to right): Phil Snee, Barney Kubiscek, Don Hutchinson, Jack O'Neill and W. A. Fischer. At left is R. G. Hofmann, sales manager of the organization.

We are not intolerant with our sales people. I am not talking about treating them badly or driving them, but we are tolerant with them when we should be intolerant.

DON'T BLAME THEM, TEACH THEM: Your sales people are not to blame. Your salesmen are going out wondor on the firing line, sometimes for days without anybody coming along and giving them a boost. Day after day, after long, long day, they hear the same thing over and over again: "I can buy it cheaper someplace else." They hear: "You come down on your price; you are entirely too high," until the first thing you know, that cancer begins to take root and grow. Those salesmen must have an outlet, and they find that outlet back in the home office with their sales manager or with their boss. They say, "Boss, as I see it, this is it. The only thing that we can do is to start cutting prices."

Don't you blame those fellows for that, men. Rather than that, let us teach them, if we can, to be intolerant of the price-cutting argument. Teach the salesman to reply, "Mr. Customer, you have been doing business with us, and we with you, for a long, long time. I am not wanting you to make less money. But you know the quality of the merchandise you get; you know the service we render; you know the public acceptance of it. Is it worth it to try to get me down 2c or 3c in order that some of it will move?"

Here is a thing that so many salesmen and managers have mentioned to me: We have lost sight of one thing, and that is that sometimes it is more to our advantage to have a high price than it is to have a low price.

IF PRICED LOW, IT'S CHEAP: I have tried to use this illustration: Walk down the streets in your town and find the merchandise that has great big sales tags on it. I bet you \$1,000 to a doughnut that in every single case you will find it cheap, inexpensive merchandise. Walk down the street into some of the stores with men's suits and, if you don't see a price tag on them, you can walk into that store with confidence, knowing that you are going to have to pay a price commensurate with the quality of the merchandise you get. With the others, you just never know.

There is a great deal of efficacy in the price that is high. I have an example of this. A fellow stood with a beautiful, huge icebox. It was \$625. He said: "Fred, this is a white elephant. It has been here three months, and I haven't sold it. Would you like to?"

I said, "Sure. Have your boy wipe that lousy price off



LOSE OR DRAW was the best that any conventioneer could do in the electronic tic-tac-toe game of A. T. & T. display in lobby.

it." Without a question, he had the boy wipe the sign off. He asked, "Why did you say that?" I said, "Because in the first place, by visual comparison, it is too much higher. People say, 'No I cannot afford that.'"

That is not true. People can afford it if they want it, but that price stood out too quickly. The merchant didn't have an opportunity to tell them what was inside and what made it worth \$625.

Two days later, I stopped at the same place. The refrigerator was gone. With a big smile, the merchant said, "It went out the next day." This happened because, when somebody asked him what the price of it was, he made this old bold statement: "What's the difference what the price is? You won't buy it at any price unless you know what is in it. Before I can tell you the price, I must tell you what is in it. Here is this, and here is this and the other." When he found what he was getting, the customer paid the price without question.

That is the story I want to leave with you. If our customers know what is in our product, we don't have to worry.

SOME BOAST OF PRICE: There are people in this room who are selling their merchandise and boasting—yes, believe it or not, they are advertising: "We sell higher than anybody else." They are higher than anybody else. I know; I saw their prices. Still they are selling, and I know they are making money. It hasn't been too long ago since I was there.

Is it any better? I don't know. Maybe it is better quality stuff, but I will say this: They are holding it to its quality, and quality will sell.

We have a job to do to educate our customers. They must be taught not to lie to us, not to steal from us, not to try to pull the wool over our eyes. Today we are becoming the biggest suckers in the industrial world because we are falling for all that rot they are putting out.

I know of a case where one dealer called up and asked, "How much are loins?" The packer told him. The dealer said, "I can buy it cheaper someplace else." The packer said, "I am sorry; go ahead and do it." The dealer couldn't do it to save his life. He didn't even have a cheaper price, but that is a tool he is working with, and he is making it work.

Sometimes it may take the bosses instead of the sales-

LEFT: C. C. Keck, Curafos division of Calgon, Inc., tells C. E. Fessel of Fessel/Siegfriedt, Inc., Louisville, and Fred Kopka, The Schmidt Provisions Co., Toledo, about some bacon frying tests. CENTER: Laddie Gimpl, Gimpl Packing Co., Tannton, S. D., and L. E. Liebmann, president, Liebmann Packing Co., Green Bay, Wis., have a quiet chat. RIGHT: Alfred C. Gannon, general manager, Gooch Packing Co., Abilene, Tex., with J. C. Dreher, Jr., secretary, Dreher Packing Co., Columbia, S.C., and Louis W. Hill, of the Askmore Sausage Co., of Atlanta, Ga.



DISPLAY OF USDA Meat Inspection Division draws the interest of Frank Thompson, Southern Foods, Inc., Columbus, Ga., and Harry M. Jones of the same organization.

men to devote a half day and say to that dealer, "Listen, boy, let's get things straight. You are going to live and we are going to live."

You are a consumer, just like I am. If I go into a store and pork chops are 79c a pound, I am going to buy those pork chops just as quickly as if they were 69c a pound. I am not going to do away with one smack over 3c, 4c or 5c either. If product over there is high priced and here is some that looks as good at 20c less, yes, I will probably buy that. That is where they have got us. That is where all of us together can educate our buying public.

PRICE MEANS NOTHING: It makes no difference what the prices of things are. Sure, there was a time when you paid so much for coffee and the price kept rising and the higher it went, the more people began trying to hoard it. Notice this: Whenever a price decline indicates a declining scale of interest, the item is hard to sell. Whenever there is indication of an ascending scale of interest, it is easy to sell.

A fellow wouldn't believe that. One day I said to him, "I will tell you how to prove it." It happened to be in a grocery store. I said, "Take that sack of flour. Mark it 90c. Tomorrow, cross out the 90 and mark it 80c. The next day, cross out that one and mark it 70c, and I will bet you a dollar you don't sell enough flour to stuff a shotgun until you stop coming down on it. If you want to try it the other way, put the sack of flour in there and mark it 80c. Tomorrow, cross the 80 out and put 90c. You won't have to wait two days until consumers make a mad rush on your store to buy that flour."

Don't tell me people will buy when the price goes lower, lower, lower. That's contrary to human nature. This is what I wish I could get across to my friends in





CONVENTION-GOING is a family affair for Clarence Streck, Jr., of Streck Bros., Belleville, Ill., who is accompanied by his wife and their three children, Susan, Steven and Sally Lou.

the field of selling. I think it could be done. We are tolerant of those things. We are too tolerant with our customers.

DON'T BUDGE AN INCH: What we should do is bow our necks and say, "This is what the carcass cost me; that is the process through which it must pass and, in order to make a decent percentage, this is what it is going to sell for." Then we should say to our salesmen: "Look, boys, do all the selling you can. Sure, tell the dealer about the service; tell him about what we will do for him in any way we can, but say to him, this price we are quoting is it!"

If everybody would establish that one rule, this business would be in the bag for us. Let's also do something about our being too tolerant. We are too tolerant of our customer. We are afraid to stand up to him. We are afraid we will lose him, and we have to pussyfoot with him in many cases.

"What are you going to do with the chiseler?" some of you have asked. I think in many places that has confronted your men—the butcher who says, "Okay, buddy, I put my hand out, and you slip me a little dough, and I will buy yours." What am I going to do about that?

I can never justify patronizing a crook, and that guy is one. I know, as much as I know I am standing here, that he will take money out of the cash register when



SERVICE ACTIVITIES of the Provisioner, including those in connection with the magazine, Purchasing Guide, Daily Market Service and mailing and book departments, were centered at this desk.

his boss isn't looking. I know, too, if I accede to his demands, that anybody can come by and say he will give him a dollar more, and, brother, I am lost! The only way I could ever get him back is to return and give him a dollar more than the other guy. That kind of a game is as pointless as a dog chasing its tail—to say nothing of its immorality.

Oh, they can get by with that for a long time. Read the headlines in your paper, my friends, if you don't believe that eventually it is going to catch up. All over the whole country, you can read of the nefarious things that have been done by a so-called respectable big shot. That is not in this industry, I can tell you for sure. I know you are hard-headed businessmen. I have been around you enough to know that. Never has any manager given me an indication that all he lives for is to cut the throat of his competitor. We are worried, that is all. We are struggling.

TRAIN MEN TO MAKE PROFIT: When are we going to do it? I know we in management have to be awfully careful. Everybody else can say it from the housetops, but management better be careful or we will be put in jail. I don't believe there is a law in this world, however, that keeps me from saying to my friends, "It is not unlawful to make a fair profit." It is not unlawful to take your company's figures and see what it costs you and train your men to make a profit therefrom.

It is not unlawful for us to say, deep down in our souls, "I am getting tired of being tolerant. I am tired

PAT GARNER of First Spice Mixing Co. has no difficulty in persuading Mrs. R. W. Biondi of Arbogast & Bastian, Inc., Allentown, Pa., to try one of the frankfurts made with First Spice seasoning products.



of being tolerant of the things that are ruining me and my family and my business which I have built up over the years and which I have cherished."

I think, my friends, we don't need any concerted action on that. We don't need any collusion on that. We don't need any get-together or agreement to "fix prices." All we need is the courage to say, "As for me, I am going to fix my profits and, by the help of the Eternal, I am going to go out and sell my product as hard as I know how. I am going to go out and get a profit from the meat my packinghouse is producing or I am not going to sell it."

Every single man in here, plus those who are not here, should do that—fail to be tolerant. If I were in the business of the guy that I see going down, and down and down, I would fail to be tolerant. We need to be intolerant of people. We need to be intolerant of the things that are wrong in our industry because those things aren't going to help us out.

We are all in the same boat together; let's start pulling together. Let's simply get in and see if we can't win ourselves and sell our sales people, and I will do my best to help you if I am privileged to be at your plant.

The time to face our problems is when we have "fight." If I ever knew a bunch that had fight, this group of independent meat packers certainly has it.

Customers—How We Keep 'em

Start Thinking "Retail" if You Want to Help Your Customers Sell Your Products

IS THE ADVICE given by store engineer Ralph Ernst, consultant for the National Association of Retail Grocers

BEFORE you can start helping any retail merchant, you must do one thing; You must think retail. Until you start thinking retail, your product is not going to move. I think you will agree with me that you may have the best quality product in the field today; you may have the best-trained salesmen, but until such time as that product moves out of the retail case, the retailer is no longer a repeat customer. If he cannot move the meat, he is not going to buy again from you. So it is very necessary that you constantly think retail.

You gentlemen are fortunate in being in the meat field. I think you will find that meat is the No. 1 item on every store engineer's list when he lays out a store. It is that important to him.

You will find also that a good meat department in any retail store will attract customers and build business for that retailer. You will find that the average woman who buys meat will build her whole group of purchases around the meat items she buys. Consequently, she will head for the meat case first.

After she finds what meats are available and what she can plan for her supper menu, she will buy accordingly.

Meat, to the average retailer, represents from 25 to 31 per cent of his dollar volume. Meat carries a good profit for the retailer. Consequently, you are talking to the retailer about a profit—you are talking about 25 to 31 per cent or better of his dollar profit. So you can understand that meat is of great interest to each and every retailer.

Now, in laying out the meat department, it should be first on the shopper's route. The basic reason is because

she will build her meals around meat, a high protein food.

Meat has a tendency to be a large department. You must have work areas, preparation areas and coolers. Consequently, it is a department which must be considered first in a store engineer's mind. He has to lay out the meat department and consider its physical aspects.

The first thing that a store engineer considers is how much of a meat department should there be in a store? Very often your customers will ask you how to determine that. Here is a formula that can be used: First you find the store volume—I don't mean the meat volume, but the total store volume—and if it is less than \$5,000 weekly, divide the volume of meat by \$75 and you will arrive at a lineal footage of meat cases required.

In the event that the retailer is between \$5,000 and \$10,000 in weekly volume, you use \$100 for your divisor. If the retailer is over \$10,000, use \$150 for your divisor.

Some store engineers believe that one lineal foot of meat case is capable of \$100 per week in retail meat sales. If you think that is a fair formula, go ahead and use it.

For preparation area, the dealer should have 4 sq. ft. for every foot of lineal; he should have a cooler area of the same size as his preparation area.

There are some exceptions to this. Some meat retailers don't get deliveries as often as they would like, so they have to have a bigger cooler area. Some get better service and, consequently, they can get along with a smaller area.

SELF-SERVICE DEALERS: If you have some self-service dealers, or some dealers who are considering this type of meat merchandising, you may be helpful in figuring out how many service and wrapping stations they will need. The rough figure is this: One packing station is capable of handling approximately \$3,000 weekly meat volume. One weighing station is capable of approximately \$6,000 weekly meat volume.

These figures are approximate. In some areas, you find

LEFT: W. W. Bystedt of Food Management, Inc., chats with Earl M. Knudson, industrial engineer, Marhoefer Packing Co., Muncie, Ind. CENTER: L. R. Peck, U.S. Slicing Machine Co., La Porte, Ind., relaxes with Thomas J. Cully, superintendent, Figg & Hutzler Co., New York City. RIGHT: Howard E. Crosson of Howard E. Crosson, Wilmington, Del., visits with B. B. Bradford, Little Rock Packing Co., Little Rock, Ark., about problems of the small packer.



the quality of the personnel in the store is not up to what it should be, and you may find my figures a little high.

In any meat layout you are thinking retail again. You should assist the dealer in his meat operation. What I mean by that is this: If he works inefficiently, his basic meat costs at retail are going to exceed what they should be. If you can help him work his own operation efficiently, he will become competitive with the chain stores and others.

Even though Fred Sharpe feels that we should not under-sell our product, we must remain competitive. I don't believe anybody will deny that if we went out and started pricing meat at \$5 a lb., we would not have very many customers.

In order to use the meat layout efficiently, work must flow in a smooth sequence. You will find each store to be different, but the basic operation is the same. The retailer starts out by receiving the meats. Then he must weigh the product if he is going to keep an accurate tally on his purchases. He must block the meat into the primal cuts. His next step is storing it in the refrigerator. From there, he reduces the primal cuts to retail cuts. If he is a self-service operator, he must consider wrapping, pricing, and displaying.

Regardless of the size or shape of the store, this is the sequence which meat must travel if the dealer is to have a smooth operation.

Something else that is very vital, particularly in self-service meats, is that the meat must look good. You must encourage him, if he does not already do so, to have some type of marking system so that he knows how long each meat package is in the case. This can be accomplished in several ways.

Some dealers put the month and the day of month on the label. Others will use a perforation code. One corner will indicate the first day of the week, middle for the second, and so forth. But there must be some method of identifying meat which has been in the case more than a day or two. A sidelight on that is that your meat will shrink. In addition, some of the local weighing inspectors may come along and fine the dealer because the meat does not weigh out to the label.

If the meat is still in condition, there is nothing wrong in relabeling the package at a lower weight.

Cleanliness in a meat case is very vital to a retailer. I have been in stores where I question if they clean the meat case oftener than once a year. Such a case will curtail appetite appeal and it will not sell meats.

The area around the meat cases also must be clean.



LOBBY GROUP is composed of E. W. Olszewski, assistant secretary-treasurer, American Packing Co.; J. B. Naumer, secretary, Du Quoin Packing Co.; George H. Wrappé, Heil Packing Co.; Elmer Koncel, personnel director, Louisville Provision Co., and John G. Mohay, NIMPA's director of industrial relations.



EARLY-COMERS register on the first day of the 1957 meeting.

That is an area where you packers can help the retailer. The employees must have a clean and neat appearance. I would stress the fact that an employee of a meat department should have a clean apron daily. If he does a lot of cutting, I would suggest that the employee change his apron twice or three times daily.

LIGHTING IS IMPORTANT: Lighting is very important. We worked in a store Friday night that was holding a sale. At most Chicago stores they are restricted

ARLENE KIETA of the Sanfax Co. is apparently trying to show Lou Ruff of the same organization that a big smile is the best approach in selling.



from selling meat after six o'clock. Apparently this town was too far out to fall in that category. The dealer had floodlights spaced approximately two feet apart and at a height of six feet. Red reflector bulbs in the lights were spotted on the meat in the case, giving the product the appearance of being very appetizing.

LIGHTING CAN PLAY TRICKS: I told my wife, "Before you buy any meat, I want you to pick up a cut and then walk 5 ft. away from the case before examining it." She did this, and you wouldn't want to cook that meat. The use of red lights to enhance the red quality of the meat is a good thing, but not when it is done to excess—to the point where the customer, when she unwraps the meat at home, is dissatisfied.

We noticed something else. The top layer of the meat in the case was warm because of the intensity of the floodlights. I hate to think what some of the meat would look like on Saturday morning after being exposed to the light on Friday night.

When you are talking about light over meat cases, there are some elements you must have at all times. First of all, you must have enough light—enough intensity properly to examine the product and read the label. The old-time service meat cases did not have this intensity. Nine times out of ten, you got more reflection of the meat than you had envisioned in the glass.

The heat from any light is harmful to meat. Engineers have determined that the heat is in proportion to the wattage of the bulbs and the spread of the light. In



LEFT: Jack Fryer, president, Fryer & Stillman, Inc., Denver, Colo., and Harry Abramowitz, North River Meat Co., New York City. CENTER: Joseph W. Arnold, vice president, and William Kupsy of The Schmidt Provision Co., Toledo, relax with Julius Jaffee, Jaffee Cotton Products, Dallas. RIGHT: USDA meat grading chief Fred Beard is a good listener for Chris Finkbeiner, president of NIMPA.

other words, with a reflector or a spotlight, the farther away it is from a product, the greater area it will cover, and, consequently, the less heat in any given area.

For these reasons, you will find that fluorescent light is actually the best light for a meat case. However, it does not have the sparkle on a cellophane package that an incandescent light would have. Consequently, a great many merchants like to mix the fluorescent with incandescent. The fluorescent will give light without dangerous heat, and the incandescent will give the necessary sparkle to the packages.

When you select a fluorescent bulb, you will find that certain colors in fluorescent light are harmful to the appearance of the meat. They will not necessarily damage the meat, but they will not make the meat look good. In the case of selecting colors, it is always better to pick something like a de luxe cool white in a fluorescent light. It has been color-corrected so the meat will look the same away from the lighted case as it does when displayed in the meat case.

For the incandescent bulb, I would recommend the white. Never go to a red incandescent bulb. It is true that the meat will look better in the case, but the customer will not be happy with her purchase when she gets the meat back home.

I think another thing you should be very watchful of in a store is to encourage the merchants to use lighter-colored bulbs over the displays and counters in the vicinity of the meat cases.

If a customer selects a piece of meat from a case and then walks down the aisle toward the checkout counter, it is quite likely that she will be puzzled as she waits in line. The meat that she picked up looked very good in the case, but not so good at the counter because of the store's daylight fluorescent lights. It is the result of the light, not the meat, but it is difficult to convince the customer of that difference. You should try to get dealers to use the de luxe cool white lights throughout.

A miscellaneous item which is very often of interest to a retailer is the size of the aisle in front of the meat case. If you think retail, you will be thinking of how the customer shops. She is not going to push her cart toward the extreme end of the meat case. She will park it and walk up and down the length of the case. Therefore, a wide aisle is needed in front of the meat case.

WIDER AISLES NEEDED: In a small store, this aisle could be as narrow as 6 ft.; 8 ft. would be far better, and in some of the larger supermarkets, we are recommending 10 and 12 ft in front of the meat cases.

Something else that is becoming important to the retailer is the amount of merchandise or the type of merchandise which can be sold at displays located across from the meat case.

If the meat is placed so that there is a grocery gondola running parallel to it, you will find that it is impossible to sell impulse items across from the meat case. The customer will travel the meat case and ignore the products across from it. If you want to help the retailer you can suggest that he display what we consider demand items, such as baby food.

A person who is shopping for baby food will find it, regardless of where the store places this item. Another demand item is coffee. Coffee is not an impulse item—it is a demand item. Ideas of that nature are what you must keep in mind if you are going to help the retailer with his selling problems.

As I said when I started this talk, you must help the retailer if you want him to be a continuing customer.

I told Fred I would keep this talk short. I wonder if you folks have any questions about store engineering. I will be glad to answer them.

CHAIRMAN SHARPE: Ralph, Chris Finkbeiner would like to ask you a question.

PRESIDENT FINKBEINER: One of the things we want to be sure to remember is to ask questions. I am going to ask one. You mentioned the foot aisles in front of the self-service case. I notice that some of them recently are encouraging a parking area. The store paints a couple of parking lines in front of the case, say, about 4 ft. away. The dealer hopes that the customer will park her cart behind these lines, leaving the front of the case unobstructed. Do you think it is a good idea? Would you recommend this parking area?

MR. ERNST: I would say, definitely, that your idea is a good one. However, a smaller store may not have enough space for this parking area. I think you will find that in most cases people are creatures of habit. When they paint lines in a parking lot, we tend to use them. I think you will find the same thing is true in a retail store. The use of lines will encourage the shopper to keep her cart away from the front of the meat case so other shoppers can get up there and see. A person is, on the average, 18 in. in width. At least, that is the accepted standard. However, if she is pushing the cart in front of her, she is occupying 3½ ft. of meat counter space and blocking that much display space from the view of other customers.

I would encourage the parking area idea if the store is large enough to afford the space.

Customers—How We Keep 'Em

Planned Integration of Advertising and Sales Produces Best Results



Counsels Advertising Expert C. E. FESSEL

THIS afternoon my topic is "Advertising and Sales Promotion—How to Use It." I wish I could bring to you one pat, standard answer that would comprise all the necessary elements of how to use it. But unfortunately, I am afraid that while the individual packers in the meat industry may seem to be so much alike, they are, nevertheless, still quite different. Advertising and sales promotion, as related to any meat packer, is almost like a suit of clothes: It is necessary that it be tailored to the individual situation that it is to cover.

Now, many of you know that advertising is often referred to as a magic tool. You have heard that expression, and I might say that there is nothing more false than that advertising is magic to sales stimulation.

Many of you have gone to a great deal of expense in recent years, since the transition of the meat business into a selling business rather than just a production business, to appropriate large sums of money for an advertising program. But, unfortunately, it is a relatively new facet to many of you, and I am afraid it has been treated as somewhat of a stepchild in many cases.

We find, only too often in our travels about the country, where someone has developed an elaborate program for advertising and has literally done nothing with it except to say, "We are on television; we are on radio, or in newspapers; we are advertising." Only too often have we found when the salesmen are questioned, they can say merely, "Yes, we advertise."

What do you advertise? When do you advertise, and what advertising media are used? Does your dealer know about it? Are your salesmen using your advertising as a sales tool?

I am afraid that before you can expect that to happen, you must do a little objective thinking. You have to go back only a few years to the time when meat packing salesmanship was merely a matter of carrying an order blank or an invoice pad and having a fairly good working knowledge of the technical aspects of the industry and the particular products sold. That was in the "pork barrel" era. You could sell them a barrel of this and a barrel of that.

No longer is that satisfactory. Whether we like it or not, the transition that this industry has undergone is here to stay. There is no backing up. Today the housewife has the privilege of shopping in spacious supermarkets, and has the final decision as to which brands will go into her market basket and be served on the table tonight. Therefore, why should she buy your product? Why should your product be the one chosen from the many brands of good quality products available today?

Before I proceed on that point, let me bring out this good-quality product theme. Too many of you feel, I am afraid, that you can make up with an advertising program for lack of consistency and quality, especially of your manufactured products.

Unfortunately, I am afraid this factor of quality con-

trol is misunderstood by many to mean a process of taking the finest and leanest pork and sausage materials available and producing the finest product on the market. That is not true, as I understand quality control.

Quality control to dealers means only consistency of quality, which the consumer wants, too. If your product is going to be on this plateau today, keep it there tomorrow and for the next five weeks thereafter.

I am talking about processed products primarily because we know that is where the basic problem is, and that is the thing we can get our brand name on and into the consumer's house. Let's seek out a level and then stick with it.

NEW PRODUCT LAUNCHED: How many times have I seen \$8,000, \$10,000, \$12,000 or \$15,000 appropriated for the launching of a new product. At first the

EARLY BIRD Gerald Meddin of the Meddin Packing Co., Savannah, Ga., catches an NP "Yellow Sheet" on the first morning of the convention to bring himself up-to-date on the previous day's product prices and transactions.



item goes over with a bang. Then what happens? In about three weeks, some of the boys get together and say, "This stuff is really moving. Here is our chance to really pick up that plum, or here is a good chance to build a little nest-egg." Now, the boys are smacking their lips. "We can cut this and change that and get the production cost down 3 or 4c." It is all right if you make changes with efficiency, but please don't change at the sacrifice of quality.

Too many times that happens, and when it is discovered, it is too late. Nothing can be done about it, at least not without additional expense after you have ruined the acceptance of the product.

But let's get back to this matter of advertising and sales promotion with which we are primarily concerned. I am sure you understand now that I feel that there is the necessity of having something to sell in a consistent

form before you entertain the idea of advertising or sales promotion.

Meat, as I said, is not sold in the form of a barrel of this or that any more. Most of the products today are being sold in individual units. Consumers are buying by units, not by pounds. Today the consumer has a lot of money to spend for food products. When I say "a lot," I mean more than she has had to spend for a long time, as was brought forth by Fred Sharpe today.

But what is going to induce her to pick up "X" brand products—your products? First, she wants to see something appealing to the eye; attractiveness represents quality to her. She wants to see it in the form in which she is accustomed to seeing it.

She wants to know something about a product, whether she learns this from an 8c or 10c point-of-sales piece or from television, radio or newspaper ads. She wants some assurance that your product is accepted by society in addition to her. I do not mean to imply at any time that people buy only advertised products. But you know and I know, when you are not sure and you have a choice to make, you choose the product that for some reason or other is familiar to you and represents the quality and consistency that you want.

So, I say this: If you are in radio, in television, or any of the other media, be sure that the media representatives are fully aware of the job that you want to do. Be sure that your salesmen know what media you are using and when and what they are expected to accomplish.

I find that the communication with most packers is very poor between the departments. I find, too, that many packer salesmen are relatively inadequate to take a highly developed advertising sales program and know what to do with it, either to solidify sales or bring about new ones.

We like to believe that the average meat packer salesman is just that—an average man out to do a job, a good job. In the last few years, he has had a terrific deal thrown at him. He is selling products in forms he never sold them in before and is faced with a lot of things he has never been faced with before.

First of all, he is faced with many smarter merchandisers and buyers than he has talked with before.



SAMPLES of the hundreds of materials that must be approved by the USDA Meat Inspection Branch before they can be used in or on meat products are being examined by A. W. Enoch and Joe Hamm of Farley Quality Sausage Co., La Crosse, Wis.

I agree that too much emphasis is put on the factor of price, but it is the only thing in many cases about which your salesmen have been taught. They have never been given the attention or training they need. I was very happy to see NIMPA pursuing the sales training program.

Any ad agency can take any plant in the country and put on a program of like amount and expenditure with the same product as in another plant, and you will find such a terrific degree of variation in results that you wonder just what happened.

In nine cases out of ten, it comes down to how well that program was implemented at "A" packer and "B" packer, and how much interest everyone took in it.

You know, you advertise not just to the consumer. You advertise for three good reasons and, believe me, if any of you who are advertising aren't taking advantage of all three of them, you are losing a lot of steam for the money you are spending. First, you are advertising for your employees. Your advertising should impress them with the fact that they are working for a reputable concern, an aggressive concern, one that they can be proud of. Believe me, the employees like to know what is going on and be part of the team, too. If you do that and tell them what you are doing, it is going to reflect in more interest and careful workmanship.

Second, you advertise to your dealers. They like to know what you are doing and what activity you are pursuing.

And, finally, you advertise for the consumer. But any advertising program, regardless of what media it uses, can be effective on all three of these points; and it can be so much more beneficial to you if you will just take the time to give it the attention and publicize what you are doing. Shout it from the rooftops. Be proud of it.

Two often in sales training, we are inclined to give it the hurry-up, rush job. I know that none of you who primarily came up the meat industry ladder from the production end attempts to break in a sausage man who never made sausage by giving him a six-week training course and then turning the job over to him.

But I have seen instances of such meager training, and I must say, when I was in the meat industry, I was guilty of it myself. With a new man, it sometimes simmers down to a two-week training period including: "Here is the bacon slicer; here is where the sausage is made. You



C. E. FESSEL of Fessel/Siegfriedt, Inc., Louisville, employs three handkerchiefs—blue for production, red for sales and yellow for profits—to demonstrate a point in his talk on "How to Use Advertising and Promotion."

He is going to have to cope with them and give them a good reason to buy.

SELL A QUALITY PRODUCT: What better thing can you give him than a good quality product that he can taste and that he knows the consumer knows about. He tells you that display case space is important to him. He wants something that is going to turn over and not lay there; something that will make him a profit and satisfy his customers. Your salesman should get those points across.



NOT A MAYPOLE DANCE, but president Chris Finkbeiner tearing a strip off a huge sign he employed to drive home his points during his May 11 discussion of "How We Lose Customers."

go talk with Joe and get acquainted with that. Next week, you go out with Sam, because he is one of our leading salesmen. He does a good job." And the third week, "Here is your order pad. There is your territory. Get out and give 'em hell."

How many times has it happened to you? Do you expect that man to compete today against the highly trained manufacturers' representatives in the other phases of the meat industry? Our competition is not only in the meat industry. It is in the poultry industry and other industries that are biting into it. In the throes of what we are going through today, they have highly competitive people who are pretty well advanced in their thinking and techniques.

THE OLD AND THE NEW: Take a man and put him with an old salesman for a week and I will guarantee you that when the week ends you will have two old salesmen. The new man will have all the negatives and all the bad habits that the older salesman has because the latter is his teacher and his trainer.

Sales training, as approached by Fred Sharpe, is most important to an advertising program.

I assure you that the time and effort devoted to your men—and believe me they want to learn because they have a job to do greater than they have ever been

LEFT: The relaxers are Oscar Emge, Emge Packing Co., Ft. Branch, Ind.; W. C. Young of The Griffith Laboratories, and Donald Elpers of the Emge company. **CENTER:** Two visitors from the Winchester Packing Co., Hutchinson, Kansas: Mrs. C. B. Murray and Mrs. H. A. Painter. **RIGHT:** The lobby quartet near registration desk includes a lady.



REGIONAL VICE PRESIDENTS Carl H. Pieper, Oswald & Hess Co.; J. B. Hawkins, Lykes Bros., Inc., and John O. Vaughn, Oklahoma Packing Co., listen to secretary John Killick's report.



AN INTERESTING EXHIBIT draws attention of conventioneers.

called upon to do before—will be worthwhile because they are looking for help.

Maybe you have not taken enough time to observe them and find out how much they want it or need it. Give them the opportunity of equipping themselves and then send them out. Then you can expect them to do the job, and they will do the job.

The magic formula, if there is one, can be summed up in two words: planning and coordination. Plan what you are going to do; where you are going to do it; when you are going to do it. Be sure everyone is tied in on your plans, and then go out and merchandise not only the product but also the advertising program. Make it work as a sales tool. Show it to the dealer. Let the salesmen know if you are spending \$5,000 on a major program. If you have five salesmen, let each one know there is \$1,000 riding on his results. Impress them with what you are doing for them. I assure you, they will take it to heart and do a better job for you.



State Associations

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We'll Go
and
Grow'



IMPRESSIVE SIGHT was this group of presidents and other leaders of state meat packer associations, who officially represented their organizations at Sunday afternoon meeting in Palmer House. Fifteen of 18 state packer groups now formally organized in the U.S. sent representatives to discuss formation of proposed Central Council of State Meat Packer Associations. Council would act as clearing-house for ideas and projects that might aid groups with similar problems. Shown seated (l. to r.) in photo are: Lee Harris, Harris Meat & Produce Co., Oklahoma City, Oklahoma Independent Meat Packers Association; H. V. Wells, Roddey Packing Co., Columbia, S. C., South Carolina Meat Packers Association; Ray F. Johnson, Lubbock Packing Co., Lubbock, Tex., Texas Independent Meat Packers' Association; Ernest Hicks, Bryan Brothers Packing Co., West Point, Miss., Mississippi Independent Meat Packers Association; H. H. Bradley, Jesse Jones Sausage Co., Raleigh, N. C., president, North Carolina Meat Packers Association; William Kling, Valley Pride Packing Co., Huntsville, Ala., president, Alabama Meat Packers Association, and A. J. Jesse, Shen-Valley Meat Packers, Timberville, Va., president,

Virginia Meat Packers Association. Standing are: Ray Turvey, Turvey Packing Co., Blackwell, Okla., president, Oklahoma Independent Meat Packers Association; Fred Dykhuizen, Dixie Packing Co., Arabi, La., president, Louisiana Meat Packers Association; Emil Schmidt, Schmidt Provision Co., Toledo, Ohio Association of Meat Packers; Robert Redfearn, Redfern Sausage Co., Atlanta, past president, Georgia Independent Meat Packers Association; Ralph K. Gee, Turner & Gee, Orlando, Fla., president, Florida Independent Meat Packers Association; Franklin L. Weiland, Weiland Packing Co., Phoenixville, Pa., Pennsylvania Meat Packers Association; Virgil Ohse, Ohse Meat Products Co., Topeka, Kan., president, Kansas Independent Meat Packers Association, and Chris E. Finkbeiner, Little Rock Packing Co., Little Rock, Ark., president, Arkansas Independent Meat Packers Association. While two men in photo are from Oklahoma, count of groups represented is right. One is acting as "stand-in" for T. H. (Ted) Broecker, The Klarer Co., Louisville, who represented Kentucky Meat Packers Association but eluded cameraman. There also are state packer associations in Washington, West Virginia and Montana.

A CENTRAL Council of State Meat Packer Associations could be of great help to packers in the various states as they struggle with their similar problems in this metamorphic meat industry.

The foregoing was the consensus of about 60 packers who attended the Sunday afternoon meeting for leaders of state associations and others interested in forming such groups. Those present represented 15 of the 18 formally-organized state associations now in existence.

The proposed Central Council, as outlined by NIMPA executive secretary John A. Killick, would act as a clearing-house for ideas and programs developed by the individual associations. Thus, all could benefit from the experiences of others. Meeting dates of state and national industry groups also would be exchanged to avoid conflicts in scheduling.

NIMPA is willing to have its headquarters in Washington, D. C., serve as the instrument for gathering and disseminating the information, Killick said. As a matter of official policy, adopted by the board of directors, NIMPA has been encouraging the formation of state packer associations over the past three years, and most of the present groups have been formed in that period.

However, Killick emphasized, membership in NIMPA is not requisite to membership in a state group and will not be required for participation in the Central Council.

"NIMPA wants to help state groups grow," explained NIMPA president Chris E. Finkbeiner of Little Rock Packing Co., Little Rock, Ark., who also is president of the Arkansas Independent Meat Packers Association. The organizational phase, he admitted, is a "pain" for those trying to get a state association started.

"You will have to take criticism until you show results in your state organization," Finkbeiner pointed out. "Leadership is appreciated only when it shows results. Once you get through the organizational phase, however, and do begin to demonstrate the benefits of a state group, your critics will be your biggest help. The strongest NIMPA members today once looked at the national association with question marks."

One of the problems in the meat industry today, Finkbeiner continued, is that it is not flexible enough. "We need state associations which are close to the problems to fill individual state needs while the national organization fills overall needs. This interest in state associations is no accident. Leaders see the revolution that is taking place in the meat industry. We need some semblance of organization to keep from being hurt too badly."

All the state association spokesmen present at the meeting admitted that they could have used help to great advantage in the formation of their groups and still need whatever assistance they can get. "Our prob-

lems are similar all over the United States," said Ray F. Johnson of Lubbock Packing Co., Lubbock, Tex., who represented the newly-formed Texas Independent Meat Packers' Association. "A Council would aid all of us."

These sentiments were reiterated by Jim Camp, TEX-IMPA executive director. "The problems our new association will face have been faced by others already," he said. "If we could draw on their experience, we would save a lot of trouble and expense."

Virgil Ohse of Ohse Meat Products Co., Topeka, Kan., president of the seven-month-old Kansas Independent Meat Packers Association, said he thinks the Central Council should be more than a clearing-house. "We need more instruction," he stressed. Ohse suggested that the Council should help packers organize in other states.

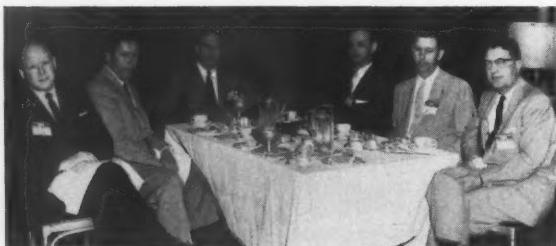
This suggestion also was advanced by Robert Redfearn of Redfern Sausage Co., Atlanta, Ga., who served two terms as president of the Georgia Independent Meat Packers Association. "A Central Council could begin encouraging state groups where they don't exist," Redfearn said. "Thirty more states ought to have them. We had no pattern to go by when we organized our association, and it would have been helpful. GIMPA now is doing a lot of good in our state."

The Mississippi Independent Meat Packers Association is just getting started, pointed out Ernest Hicks of Bryan Brothers Packing Co., West Point, Miss. "Any help we can get is needed," he said. Someone other than the state presidents probably should serve as members of the Central Council, with the presidents as ex officio members, so sufficient time can be devoted to it," he said.

Representatives of several state groups that were born in emergencies emphasized how much better it would have been if they had been organized earlier.

"We suffered at the hands of our state before we reactivated our association," said Emil Schmidt of Schmidt Provision Co., Toledo, representing the Ohio Association of Meat Packers. "It was too late to put up any defense by the time we had reorganized." The Ohio association still needs to know about the experiences of other groups, Schmidt said. "We have inspection and weights and tolerance problems."

The Oklahoma Independent Meat Packers Association also was born in emergency four years ago, recalled Lee Harris of Harris Meat & Produce Co., Oklahoma City. This year it achieved very beneficial results. "We initiated a bill to improve state inspection," Harris said,



TO BE "BIGGEST and best" state organization of packers is goal of new Texas Independent Meat Packers' Association so this TEX-IMPA group had much to talk about during luncheon gotten together at NIMPA convention. Officers are to be elected and organization perfected at May 25 meeting in Dallas. First statewide annual convention is scheduled for August 16-17 at Adolphus Hotel, Dallas. Discussing plans (l. to r.) are: Jim Camp, TEX-IMPA executive director; Wade Beesley, West Texas Packing Co., San Angelo; Samuel M. Rosenthal, Samuels & Co., Dallas; Herman Waldman, Dallas City Packing Co., Dallas; Alfred C. Gannon, Gooch Packing Co., Abilene, and Joseph Neuhoff, Neuhoff Brothers Packers, Inc., Dallas, members of organizational group.

"and a \$200,000 meat inspection appropriation was passed by the legislature this year. Our bill was the second one passed in this legislature."

The Florida Independent Meat Packers Association also has been fighting for better inspection, said Ralph K. Gee of Turner & Gee, Orlando, president of the group, and J. J. Swick of Copeland Sausage Co., Alachua, past president. Through efforts of the state packer group, meat inspection became mandatory in Florida for all but the very small plants. The Florida association then successfully fought attempts by the legislature to shift the entire cost of the inspection program to the packers, who had been sharing the cost with the state.

"We now are in a vigorous battle to compel the state to pay the entire cost," Gee explained. (The Florida house passed this association-initiated measure on May 17 and the state senate approved it on May 20. The bill was sent to the governor this week. See page 55.)

SOME PROJECTS SUGGESTED: "We need some constructive project to get the confidence of everyone in the state associations," opined H. V. Wells of Roddey Packing Co., Columbia, S. C., representing the South Carolina Meat Packers Association. "A Council could be very worthwhile in this area. One project might be quality emphasis—the elimination of cheap sausage which hurts the whole industry. Another might be cost accounting; our worst competitor is the fellow who doesn't know his costs. We might take up the problem of credits; one packer can set a bad example for everyone."

An exchange of state ideas is a good proposal, said William Kling of Valley Pride Packing Co., Huntsville, Ala., "but we have to be careful that this isn't a fourth industry group speaking on national issues." Kling is president of the Alabama Meat Packers Association.

Kling said he talked with an Alabama congressman during the Easter recess about the pending bill (S-1356) that would transfer regulatory authority over packers from the U. S. Department of Agriculture to the Federal Trade Commission. "I don't know what to do," the congressman told me, 'You fellows have to get together before we can give you any help.'

Franklin L. Weiland of Weiland Packing Co., Phoenixville, Pa., said that he and other members of the long-established Pennsylvania Meat Packers Association had a similar experience during the annual dinner given by the association this year for Pennsylvania congressmen. "It was embarrassing," Weiland recalled. "We had to admit there wasn't a unanimous opinion in the industry. They said: You boys better get together and tell us what you want or we can't do anything for you."

Weiland said he feels that one of the most important things a Council can do is to accumulate opinion and abide by the majority.

S-1356 has caused general confusion in Congress, Finkbeiner said in describing an experience of his own. A congressman had pointed out to the NIMPA president that the Western States Meat Packers Association strongly advocates the bill and the American Meat Institute is opposing it vigorously. "Just where does NIMPA stand?" he asked, and I had to say, 'NIMPA is neutral; we're for more enforcement,'" Finkbeiner recalled.

"If all the facts were presented," Finkbeiner said, "there are few national issues on which we wouldn't have a united front in the meat industry. The problem is lack of communication."

H. H. Bradley of Jesse Jones Sausage Co., Raleigh, N. C., president of the North Carolina Meat Packers Association, summed it up this way:

"United we'll go and grow; divided we'll fall."

Profits—How We Keep 'Em

One Way is Through More Cost Knowledge, Fostered by Conference of Accountants



Assets Conference Organizer CLETUS ELSEN

AT THE accounting meeting in Chicago last year, several recommendations were made as to projects which NIMPA could carry out as an organization. We felt that they could be best accomplished through an Accounting Conference.

We have prepared a set of by-laws for our Conference. Let me read you a little:

"This association shall be known as NIMPA Accounting Conference.

"The object of the Conference shall be to promote sound accounting practices in the meat packing industry; to study accounting methods and practices; to bring to the attention of its members from time to time new and improved methods and techniques in the field of accounting; to uphold the honor and dignity of the practice of accounting, and to make cost studies for the members."

We feel that this matter of cost studies is one of the most important objectives of this project. We feel that the studies can be of tremendous help to the industry. We have two speakers who will go over this part of the program in detail. We have collected figures on a bacon survey which was made several months ago. In the last few weeks we have sent out forms in a survey on the cost of producing ready-to-eat ham. We will touch on the preliminary results of this survey.

MEMBERSHIP: With regard to Conference membership, we want to make eligible all the people in the industry who are interested in accounting. Thus:

"Any person of good character and reputation who is employed as an accountant by any member of the National Independent Meat Packers Association (hereinafter referred to as NIMPA), or who is responsible in whole or in part for the cost accounting of any such member, shall be eligible for membership in the Conference. Such application shall be in writing and shall be filed with the secretary-treasurer of the Conference."

We intend to divide the Conference into five regional divisions: eastern, central, southern, midwestern, and southwestern.

We intend to have two directors representing each division. In addition, we will have a president, vice president, secretary and treasurer.

One of the most important advantages of the Conference will be that it will afford an opportunity for the accountants in the industry to get together and meet their fellow accountants. This can be done at a national convention or at regional meetings, and it is also our hope that we can extend this idea to the state level.

My experience at regional meetings during the past two years has been that it is very difficult to get accountants on their feet to ask questions, particularly technical questions, at large gatherings.

We feel that in a conference of this type, if we can spread the activity to the state level, we can have meetings of state organizations at which 20 to 30 accountants

can get in a small room and discuss their mutual problems.

DUES: With regard to the dues, we decided for the first year we will ask that every member of NIMPA nominate someone from its organization as a member of this NIMPA Accounting Conference. It was the unanimous opinion of the committee that for the first year we should not charge dues to NIMPA members.

At our meeting yesterday we decided that, in view of some of the projects which we have in mind, we should extend the Conference to as broad a scale as we possibly can. We feel that we should give other accountants in the industry an opportunity to join this organization and participate in the work. We want to feel that our meetings at the state and national level are open to all accountants in the meat packing industry.

Therefore, the board of NIMPA last night decided that we should make membership in this organization available to all members of the meat packing industry. There will undoubtedly be dues for associate members.

Members of the special committee who helped set up the by-laws and who were really responsible for the organization of this group included Joseph E. Skram of the Seitz Packing Co., St. Joseph, Mo., E. R. Ganter of the Heil Packing Co., St. Louis, and John G. Stephen, Arbogast & Bastian, Inc., Allentown, Pa.

(The group then elected the following directors: John W. Carney, Weiland Packing Co., Inc., Phoenixville, Pa.; William A. Cook, Wm. Schluderberg-T. J. Kурдле Co., Baltimore; J. Ellis Swint, Southern Foods, Columbus, Ga.; A. C. Bruner, East Tennessee Packing Co., Knoxville; John Byron, Louisville Provision Co., Louisville; James Connelly, Reliable Packing Co., Chicago; E. L. Mering, Little Rock Packing Co., Little Rock; Karl B. Drowatzky, Turvey Packing Co., Blackwell, Okla.; E. R. Ganter, Heil Packing Co., St. Louis, and Joseph E. Skram, Seitz Packing Co., Inc., St. Joseph, Mo.)

I think that it is extremely important that we get the cooperation not only of the accountants, but also of top management in this Conference.

There are a lot of things we can do. We are going to have committees on cost studies, education and publications with members from all the regions.

We will distribute to the membership copies of talks before the regional and the national conventions and the state meetings which deal with specific subjects. The committee will encourage industry accountants to write articles on how they are handling certain problems.

We feel the subject of education is very important. While we tried to write the manual so that it could be used by all packers, large or small, we also realize that there are still a lot of small packers in the NIMPA organization who need help. This is going to be a project of the education committee.

John G. Stephen of Arbogast & Bastian, Inc., Allentown, Pa., will talk to you on the results of our bacon survey and our ham survey.

Profits—How We Keep 'Em

Cooperative Cost Studies on Operations

Tell Packer He's High, Average or Low



Declares Arbogast-Bastian's J. G. STEPHEN

DO WE have to rely on conventions only to be able to get the type of help we want in our day-to-day operations?

The accounting committee has decided there is another way, and that is through these accounting surveys, whereby you can exchange information freely with your friends and your neighbors, and occasionally with some of the people who wouldn't willingly exchange information with you if they knew you were going to get it, but since it is unidentified, you do obtain it.

Such information will help you 12 months of the year to find out where you are going and where the other fellow is going.

When you first look at one of these surveys you may say, "Well, I am average. I am doing all right."

Average performance may be all right for the school boy. He will get by and will graduate into the next grade, but is it good enough in our highly competitive industry today?

We cannot stand still. We are either going to improve on the average or go below it, and when we go below it we are in for trouble.

We had some thirty-odd replies in the first survey. You will find that the survey is in two sections. One covers costs and the other covers yields.

If you will look at the survey closely, you will find that the yields were developed on two bases: yields are shown for each operation and a yield is given for the complete sliced bacon operation. That information should give you a lot of food for thought. While I will not go into that particular field in detail, I believe the figures might well make you ask:

"Where do I stand against this particular yield? Why is my yield for this particular operation high or low?"

The survey shows a high overall cost, excluding the material, of \$19.40, and a low of \$10.02. The difference between high and low is \$9.38, and I don't think there is a person in this room today who wouldn't want to stay in Chicago for a month if he thought he could go home and reduce the cost of his sliced bacon by \$9.38 per hundredweight.

I went a little farther. Expenses were broken down departmentally for labor, direct supplies, packing and shipping, overhead, selling and delivery. I tabulated the high for each category, and no one company was high for any two of these items.

Five companies had the questionable honor of being high in the different categories.

The high firm on labor had a cost of \$9.88. The high cost for direct supplies was \$4.63. The high for packing and shipping was \$1.62. The high for overhead was \$7.90. The high in selling and delivery expense was \$5.98. The combined high costs for processing, packing, shipping and delivery totaled \$30.01.

On the low side, one company had the great honor of being low in two categories. The low for labor was

\$2.10. The low for direct supplies was \$2.28. The low for packing and shipping was 20c. The low on overhead was \$1.10. The low for selling and delivery was 63c. The combination of all low costs was \$6.31, and the difference between the composite high and the composite low was \$23.70.

I am not suggesting that any specific company will ever get into the position of having all those high figures. I am afraid it would be out of business long before it got there. However, does any firm want to wait until it goes out of business? This won't happen if the facts in the accounting survey are put into use.

These surveys are going to indicate to many companies the course along which they are going and should indicate the necessity of doing something about their specific situations.

On the other hand, I don't know that it can be said that no one can achieve the composite low of \$6.31. That figure, of course, is lower than the low \$9.38 of the lowest company reporting. However, I am sure that whoever the low packer is, he would be very glad to be able to reduce his costs by 3c a pound.

So much for the bacon survey. I would now like to make a few remarks on the ham survey which has not yet been completed.

We have a low of \$6.61 per hundredweight for processing hams and a high of \$12.80. On labor we have a low of \$1.06 and a high of \$3.66. The low for direct departmental expenses is 70c and the high is \$2.48. Packing and shipping have a low of \$2.44 and a high of \$2.58. The low for overhead is 88c and the high is \$3.71.

Our composite low is \$4.30, and the way some people sell hams, I think some of the packers have already guessed what these figures were going to be and have been selling on that basis.

The composite high is \$16.98.

These surveys are rather simple, but they do take work. It is going to take work on the part of top management to persuade their accounting departments to participate and get the figures in accurately and promptly to help in the survey effort.

Our accountants should show genuine interest in developing these figures. After all, they are the people who are always told by the sales department that their costs are so-and-so. Here is an opportunity for the accounting department to show the sales department that its figures are right. To participate in this survey work you must follow the forms that are sent out to you and the methods set out in the manual so that the figures are comparable.

I urge all of you accountants and members of management to get behind these surveys and get the use of this new tool that is being developed for your use. Then you can have this convention information available to you during 12 months a year.

Profits—How We Keep 'Em

Exchange of Comparable Cost Information Will Keep Packers 'Flying Right'



In the opinion of USDA Analyst WAYNE BITTING

TRAFFIC SIGNAL FOR BUSINESS MANAGER: Today, every business manager needs a traffic signal for costs. It is just as essential to you as instruments are to the flight pilot. The day of flying "by the seat of your pants" has gone.

The importance of operating costs to your industry can be demonstrated from the April, 1957, monthly letter of the First National City Bank of New York. The bank letter reports a 0.9 per cent profit on sales for 15 meat packing firms during 1956, and an 0.8 per cent profit for 1955. If the situation is representative, then for every \$1 increase in sales, you receive (on the average) around 9/10c increase in profits.

However, a dollar reduction in operating costs affords an opportunity to add the full amount to profits. Increased sales, if accompanied by higher operating costs, would not yield 9/10c increase in profits. Each \$90 reduction in operating costs, on the average, is equivalent to an additional \$10,000 in sales.

To achieve greater profits by either increased sales or reduced costs, you must first know what your operating costs are. If operating costs are to be reduced, it

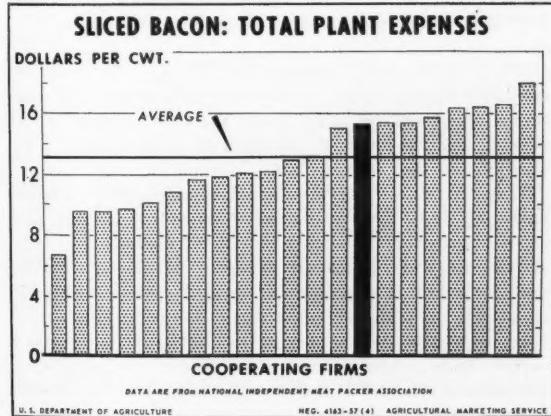


CHART 1: "Imaginary Joe's" firm is shown by solid bar.

is necessary to know where they are high. In order to know where your costs are high, you need to compare the cost of each operation with other firms in the meat packing industry.

For these comparisons to be meaningful, all costs must be reported on a uniform basis. To make this procedure practical, you need a simple device for flagging each operation where costs appear high or low in relation to other firms. It should serve as a guide in day-to-day operation, as well as in planning the direction of adjustments for the future. It should also reflect changes occurring in the marketing system. This is the purpose of traffic signals for management.

There are three basic requirements essential to the success of this system: 1) Cooperation by the industry in supplying cost information to a central office on a strictly confidential basis; 2) Use of a uniform cost accounting system as a basis for reporting the costs, and 3) Working up these data so they can be used as signals to management.

To illustrate how this procedure might work for your industry, let's take a look at the sliced bacon survey which your accounting committee recently completed.

Chart 1 shows the variation in total plant operating expenses among the firms reporting. These expenses included: 1) Department labor; 2) Direct supplies; 3) Packing and shipping, and 4) Overhead.

Selling and delivery expenses have not been included in this chart because this is more of a distribution func-

In Frozen Food Distribution

TOTAL OPERATING COSTS PER DOLLAR OF SALES

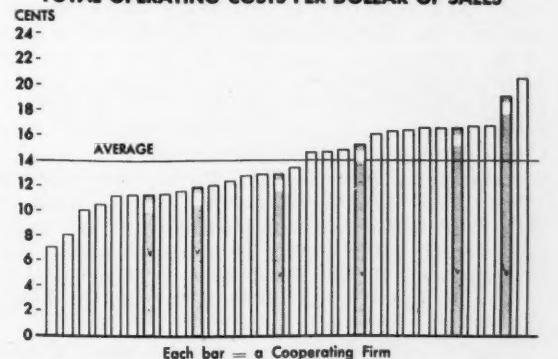


CHART 2: Frozen food distributors' operating costs vary greatly.

tion than it is a plant operation. The average cost line shows that total plant expenses ran a little over \$13 for each 100 lbs., green weight, of sliced bacon.

How do you explain the variation? Does volume produced affect the level of operating costs? To answer this question, each firm would have to report the total lbs. produced along with the cost data. Since this was not done, we cannot answer this question from your sliced bacon survey results.

FROZEN FOOD OPERATING COSTS: In case of the frozen food distributors, volume was not a factor in explaining the variation in total operating costs per dollar of sales. Nevertheless, volume might be an important factor affecting your total plant expenses per 100 lbs. of sliced bacon.

The variation in operating costs among frozen food distributors was slightly greater than was true for your sliced bacon survey.

Chart 2 illustrates this variation for the frozen food

distributors. We have been able to explain about two-thirds of this total variation between firms with the help of three factors: 1) Average hourly wage rates; 2) Average size of order, and 3) Man-hours per \$100 of sales.

How can the frozen food distributors use this information? For one thing, it tells them how much increase in the average size of an order is required to offset a given

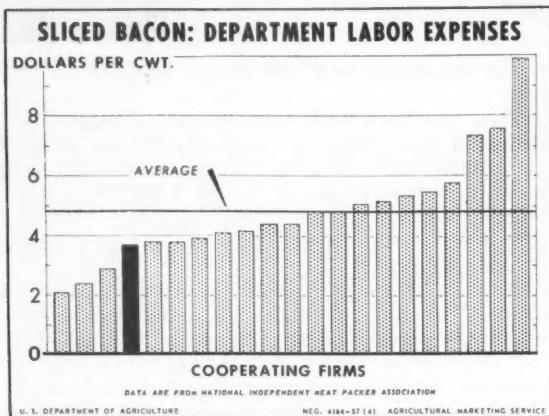


CHART 3: Joe's firm was below average for labor cost.

increase in hourly wage rates; or, how much reduction in man-hours per \$100 of sales is required to offset a higher wage rate.

These relationships can be of particular importance where price competition is keen. This is one of the products from the uniform accounting program. It is a result of the willingness to share cost information on the part of frozen food distributors without revealing the identity of any individual firm. The purpose of this sharing is to reduce operating costs and to increase efficiency.

If operating costs are to be reduced it is necessary to know where they are high. Turning your attention to your sliced bacon survey, let's see if we can illustrate the procedure for determining where your costs might appear to be high. Your survey separated expenses into five categories: 1) Department labor; 2) Direct supplies; 3) Packing and shipping; 4) Overhead, and 5) Selling and delivery.

Chart 3 shows the average cost and range of your department labor costs. In this chart and in other charts that are a part of this talk I have darkened the bar representing "Imaginary Joe's" firm. This is the type of serv-

ice you could expect if you had a uniform cost accounting program similar to the frozen food distributors.

Note that in the department labor expense chart your costs vary as much as three-to-one, even after excluding the lowest-cost operator and the highest-cost operator.

The average labor cost is \$4.80 for each 100 lbs. of sliced bacon. Costs range from slightly over \$2 to almost \$10. Joe's costs are below average; however, there are several firms doing even better than Joe. We would conclude that Joe is doing all right with respect to his labor expenses.

Chart 4 shows the cost of direct supplies per 100 lbs. of sliced bacon. The average cost is \$3.50. Note that the range in costs is almost two-to-one. Joe is average, so he may be satisfied with this expense category.

Chart 5 shows packing and shipping expenses. This is the smallest expense item of the five reported in your

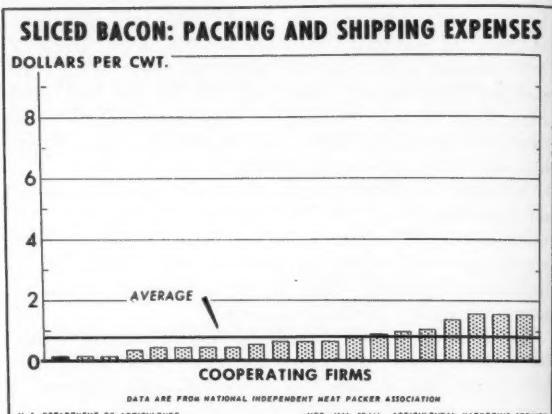


CHART 5: Joe's company was low for packing and shipping.

survey. The average cost is about 80c for each 100 lbs. of sliced bacon. Even if Joe were a high-cost operator, there would not be much room for improvement. However, Joe is the low-cost operator, as is illustrated by the location of the shaded bar.

Chart 6 shows the overhead expenses for each cooperating firm. This category accounts for 30 per cent of the total plant expenses for sliced bacon.

The range in overhead expenses is almost eight-to-one. Joe's firm is represented by the highest bar on the chart. He is definitely concerned about his high overhead expenses. What should he do? Would increased volume help reduce this expense? Again, we need more information than the survey provided to answer this question.

Chart 7 shows selling and delivery expenses. This is a distribution expense rather than a plant operating expense. Again we note that Joe's firm is next to the highest cost operator. Joe will definitely take steps to improve this situation.

CHARTS CALL THE SIGNALS: From these charts we have been able to signal to management each operation which appears to be high or low in relation to others.

Practically every firm showed some area of strength and weakness. These charts should help management estimate the potential savings which might be realized if their costs more nearly approached the group average. They can then decide whether to attempt to correct the situation themselves or have an engineering study made of their plant operations.

In either event, the uniform cost accounting records

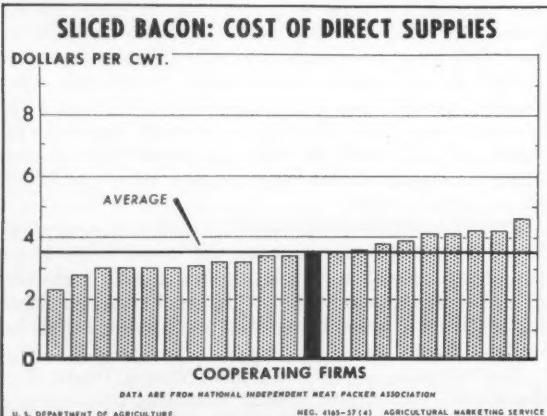


CHART 4: Typical firm was average for direct supplies.

should pinpoint the areas where the study would be most helpful.

The different expense items in your sliced bacon survey are brought together below. The paragraphs show the average cost for the group for each expense item. It should be possible for each cooperator to receive such

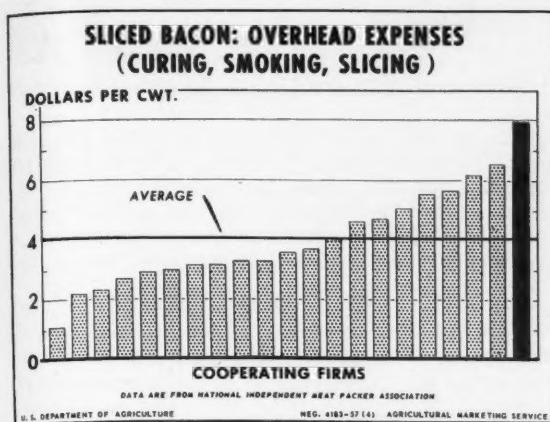


CHART 6: Typical company is high for overhead expenses.

a table showing his data, together with the average for the group for every item of expense which he reports.

Department labor, \$4.81, 36.7 per cent of total plant expense; average.

Direct supplies, \$3.48, 26.5 per cent of total plant expense; average.

Packing and shipping, 79c, 6.0 per cent of total plant expense; average.

Overhead, \$4.04, 30.8 per cent of total plant expense; average.

Total plant expenses, \$13.12, 100 per cent of total plant expense; selling and delivery, \$2.45; total operating expenses, \$15.57, and per cent of yield, 73.7. Source of the data is the National Independent Meat Packers Association.

In reviewing the charts and tables it is well to keep in mind that each of your operations is somewhat different. There are many factors which influence costs. After reviewing these factors it may be that certain of your operations are necessarily high because of your particular situation. The market situation may be such

that it is profitable for you to provide additional services which increase your operating costs.

Operating costs are your best guide to efficiency and increasing future profits. Competition usually sets your selling price and you have little control over the price level. For this reason, the area where management can exercise most influence is in that of affecting operating costs.

Operating costs become increasingly important when more intense competition enters your market. The firm with the lowest operating costs for providing a given set of services is most likely to succeed. It is essential that costs be related to services for valid comparisons. The value of these comparisons can be enhanced as the number of firms cooperating in your program is increased.

There are many other useful comparisons to be gained from a uniform cost accounting system than those just described. To realize the advantages of the various guides to management will require a careful review of the industry's problems with your uniform cost accounting committee before deciding upon the reporting procedure. There is no substitute for careful planning in starting such a program.

Today every business manager needs a traffic signal system to guide day-to-day operations, as well as in planning the direction of adjustments for tomorrow's future. Uniform cost accounting is essential to this system.

REPORT COSTS ON A UNIFORM BASIS: You already have an accounting manual developed to meet the needs of your industry. The next step should be much easier. Reporting your costs on a uniform basis means only slight adjustments to the records you already keep.

By sharing cost information on a confidential basis, you stand to gain much from very little effort. Your future success may depend upon it.

I would like to say something here about the work of Cletus Elsen and your uniform cost accounting committee. Mr. Elsen may be too modest to tell you, but I have kicked around in this food industry a long time, and I have seen some of the different types of cost accounting that go on and some of the organizations that exist in other industries, and I want to say this: That this little job here—this manual that you folks have developed—if you had to pay for that outside your industry, it would cost you at least \$50,000. Yet, if you were to ask Mr. Elsen and some of the members of his committee here, I am sure they would say, "Well, we have just made a start."

The fact that it would cost you that much isn't a bit of good to you unless you use it, and the one purpose that I had this morning was to make it obvious to you that you cannot afford to be operating without knowing your costs.

It just seems to me it is so obvious we shouldn't even have to talk about it and I hope further that when you leave here, you will say, "My gosh, that makes sense. Why haven't we been doing it?"

As you look outside the hotel here and see the vehicular traffic, just imagine what would happen on these streets in Chicago if you didn't have a traffic signal system—some system of directing the traffic.

Your business has just as many complicated factors as there are cars going down the street and if you don't have some guides as you look to the future, you are going to be in trouble.

It seems to me that your future success depends on this type of signal system.

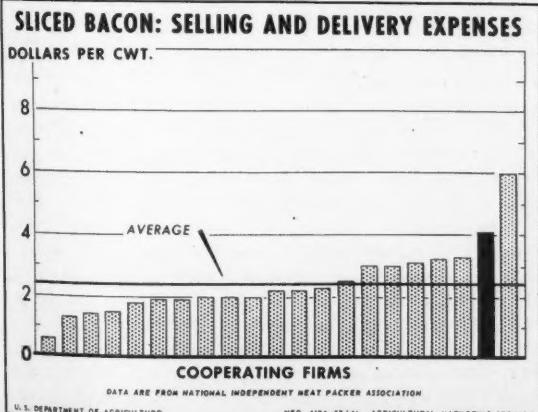


CHART 7: Joe's firm is above average on selling delivery.

NIMPA Accounting Session

Experiences of an American Accountant in the Turkish Meat Packing Industry



As Related by Seitz Packing Company's J. E. SKRAM

THE important thing I discovered during my two years in Turkey was the entire lack of information in printed form on meat packing accounting and cost accounting here in the United States, with one exception, which was a book by Smith and Greer. We now have Cletus Elsen's fine work in the new NIMPA accounting manual, which gives us a light to follow.

Unfortunately, I didn't have a manual to follow so my work was cut out for me. It was necessary to write up every procedure covering every type of transaction that could occur in the operation of a plant, and this had to be in detail. A complete manual of administrative and accounting procedure had to be written, with exact copies of necessary forms and with detailed instructions covering the use of each form.

A modern meat packing plant was new in Turkey, and the people with whom we were working knew absolutely nothing about how to start or operate a meat packing plant.

Turkey is a country of 21,000,000 people. Eighty per cent of its population lives in mud huts in isolated villages. Half of these villages have no primary schools. The livestock population is divided this way: beef, 11,000,000 head; sheep, 25,000,000; goats, 21,000,000; buffalo, 1,000,000, and other species, 3,000,000, making a total of 61,000,000 head of livestock.

TURK GETS LITTLE MEAT: The Turk gets one-third the meat that a meat-starved Briton receives under rationing. In the larger cities, such as Istanbul, which has 1,000,000 people, the slaughter each year runs something like this: 65,000 head of beef, 614,000 head of sheep, 434,000 head of lamb and 8,000 goats. As a result, the people in the larger cities do get more meat than the people in the villages.

Even with the shortage of meat, they do export some. Incidentally, the livestock mortality rate due to disease and climatic conditions is something over 20 per cent. The dead stock is not utilized at all at the present time, and you can figure out for yourselves that there is a good opportunity for a modern up-to-date rendering operation.

The new meat packing industry in Turkey is under the control of a government-financed division called the Meat and Fish Office of the Ministry of Economy and Commerce. It was financed by a grant of 40,000,000 lira by the Turkish Parliament. While we were there, we ran out of operating capital so the management of the meat packing plants negotiated a loan with a government bank, secured by the buildings and machinery which the original grant bought. Fortunately for me, the director of the Meat and Fish Office was a good accountant himself, and the program we proposed was accepted with no difficulty and actually installed and put into operation.

What is the actual status of industry in Turkey and how did top Turkish officials look at accounting?

FINANCIAL INFORMATION SCARCE: The Industrial Development Bank of Turkey undertook a study

of the ways and means of financing by private enterprise every industrial expansion in Turkey. One of the observations was that potential investors had a lack of confidence in the management and managers of Turkish enterprises. This was primarily due to the absence of information about the financial condition of private business in the country.

The study committee made this statement: "Experience to date has shown that such financial documents are very often devoid of clarity and precision and that the accounting department in most enterprises is ill-equipped for the preparation of these documents."

One of the recommendations of this committee was: "Steps should be taken towards the establishment of a system of public or chartered accountants." There was absolutely no system of accounting procedure upon which an investor could rely.

Now I would like to talk a bit about the background of this new meat packing industry. For Turkey, which knows only the age-old way of doing things, an American organization in 1949 issued a report consisting of 92 or more mimeographed pages covering proposals for plants in the country. Later, based partly on these recommendations, negotiations and contracts were entered into for the building of these plants.

Due to many reasons, only one plant was started and finally completed. That was at Erzerum. The plans called for three more. These plants were to be for the handling of beef and sheep and processing of the meats. These plants were not small. The Erzerum plant cost \$3,375,000; the Koriga plant, \$3,060,000; the Istanbul plant, \$3,364,000, and the Auboia plant, \$2,843,000. Each of these plants was capable of handling a minimum of 500 head of beef and 2,000 sheep a day.

AMERICAN AID RECOMMENDED: The completed plant in Erzerum, a city in eastern Turkey several miles from the Russian border, stood idle for two or three years. In 1952, another committee of American specialists made a survey and recommended that American aid and technical assistance be given to put this one plant into operation and to assist Turkey in building the other three packinghouses.

My phase of the work was to set up the administrative division and the accounting procedure. However, when I was assigned my work by the Turkish authorities, I found that I also had the job of including in the procedure the necessary details to cover a fish meal plant, a fleet of fishing vessels, ten cold storage plants, four packing plants and administrative office of 200 people.

I found that I was to work with a group of Turks who had a smattering of accounting systems of enterprises from Italy, Switzerland, Norway, England and Turkey. Of course, the Americans could perform miracles. The American could figure exact costs on each cut of meat, each by-product and each item.

It was difficult for the Turk to understand how we in America figured our costs, basing them to a great

extent on the price at which each main cut can be sold to make a profit.

However, I found that meat was graded in that part of the world the same as here. Some parts of the cuts were in greater demand than others. A filet mignon is as desirable there as it is here so the basic procedure was the same. Livestock purchased for the plant was contracted for at an agreed price for a period of time, usually 30 days. Grade differentials were set up, and the seller was paid the contract grade price plus any premium. Under this system there was, of course, stability in live costs, and the figuring of lot costs was simplified.

EVERY DETAIL COVERED: The administrative procedure in the accounting manual covered in detail every transaction. We found that special handling was necessary in certain categories. These were in labor, inventory, materials and supplies.

Because good jobs were scarce, the temptation for the employment manager to exact payment from prospective employees was great. Every new employee paid for his job, and then he lost it for some reason. The turnover was great and the greater the turnover, the more the employment manager would make. Of course, there was a change in employment managers. To be fair to top officials—those that run plants in Turkey—they did not tolerate such conditions, but there were people that benefited financially from them.

The Turkish worker is protected by law, just as we are. His work week is 48 hours. One day's pay is withheld from his wages each week for ten weeks and is kept as an indemnity should an occasion arise. It is obligatory to give each worker an account book showing the rate of wages and to register each payment in the book in his presence. He is given 30 minutes rest in a nine-hour working day, one hour in a work day of more than nine hours, and he is paid a full day's pay for Saturday even if he works only half a day.

The one rest day in seven is given him and paid for at the rate of one-half day's pay. Time and a half is paid for work on holidays. If no work is performed on holidays, the employee gets one-half day's pay. The employee contributes 4 per cent of his pay for old age pension, and the employer contributes a like amount. The employee is protected by workmen's insurance.

It was necessary for me to learn a little bit about Turkish law governing labor and business.

INVENTORY WAS ESSENTIAL: In setting up a procedure for the control and the taking of inventory, I found that it actually was necessary to take inventory of everything, including fixed assets. Many things can happen to fixed assets although we didn't have any particular problems in the meat industry. The controls were necessary for manufacturing supplies, for office supplies and particularly for construction and maintenance materials.

The failure to maintain sufficient materials for an operation would stop operations for a long time. For the purchasing of materials, a strict procedure had to be set up, requiring bids on all purchases. This was comparatively easy because advance orders for materials and supplies and maintenance materials were placed months, even one and two years in advance.

It was found that depreciation rates, as set up in Turkish government schedules, were very liberal. However, these rates were necessarily high because of a high rate of deterioration due to improper maintenance.

During the two years in Turkey, I must have attended 100 or more conferences between myself and the Turkish officials on the new procedures and the accounting

plan. I had been assigned a young Turk who spoke English very well and who had had several years of accounting experience in a British-owned company. It was his job to translate the manual into Turkish and to make the various forms conform to Turkish custom and laws.

RED TAPE EVERYWHERE: Every invoice issued in the sale of anything must have a government tax stamp affixed to it, and this stamp must be cancelled by the seller by hand. When the invoice is paid, a paid receipt also must be issued and another stamp, with another kind of cancellation, is made. No document of any kind is official unless the stamp is put on. When you start a business in Turkey, you can use only a bound general ledger and a general journal. The ledger and journal have to be notarized on each page, and a record of the number of blank pages is kept by the government. When you have filled a ledger, you go through the same process in starting a new book.

Modern office equipment is available from such American firms as Burroughs, National Cash Register, Remington Rand and IBM and also from many non-American corporations. The tendency of these firms has been to over-sell an installation in foreign countries and particularly in Turkey. I found that this was particularly true in the tabulating equipment. It is easy to sell because the complex and the noisy operation of the machines appeals to the average office executive and employee. Even if they don't understand what a machine can do, they feed a lot of cards into it and get a long report and then they find someone to figure out what it means.

The average Turk I met was intelligent and eager to learn, but his pride permitted him to ask only such questions he thought would not reveal his ignorance.

I ran into many obstacles when my Turkish interpreter started to translate the manual because the meat industry we were starting was new. There were no words in the Turkish language for many of the slaughtering operations in the plant nor for the new system of accounting that was installed.

SKRAMISH-TURKISH: Consequently, there are in the Turkish language today and in the printed manuals probably 20 or more words pertaining to the meat industry and accounting that were concocted by this interpreter and me. We had a little fun, too, because some of the words are ridiculous.

Office executives are real executives in Turkey. One does not do anything that would degrade him in the eyes of his employees. If one has a letter to be carried even to the desk next to him, he snaps his finger and a messenger is at his elbow to carry it for him. Equally ridiculous situations were encountered in the plant. Pride and station in life were great obstacles in the starting of the operation of the plant.

Having spent even the short period of two years in Turkey, which received a great deal of assistance from the United States, I was able to come to some conclusions. One is that technical assistance to foreign countries is needed greatly. The gifts of money, material and food are temporary in nature and of questionable value. A long-range program of technical assistance to the peoples of these nations to enable them to raise their own standard of living is the only sensible plan.

I learned also the value of patience and the satisfaction that comes when the results of patience appear. One American who has spent considerable time in foreign countries gave me this little verse:

"At the end of the fight is a tombstone white, with the name of the late deceased and the epitaph reads—a fool lies here who tried to hurry the East."

Profits—How We Keep 'Em

Study Depreciation Methods Carefully to Avoid Future Difficulties



Advises Accounting Expert J. L. PENNY

DEPRECIATION TO THE FORE: It is indicative of the current interest in depreciation when I read the following account today in one of the Chicago papers, and I quote:

"Russell L. Peters, vice president of the Inland Steel Co., today urged that the government authorize corporations to use current replacement values in calculating depreciation for tax purposes, asserting that under the present system consumers pay a heavy tax just to keep up the country's plants.

"Peters said that the tax is paid in the purchase price of goods because the government does not allow corporations to replace worn-out facilities through depreciation charges.

"He said, 'Can you think of a more ridiculous tax than one which is applied to the deficiency of funds needed, not for expansion, but just to keep America's productive strength sound and intact?'

The present accounting concept of depreciation is expressed by the committee on terminology of the American Institute of Accountants, as follows:

"Depreciation accounting is a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage, if any, over the estimated useful life of the unit, which may be a group of assets, in a systematic and rational manner.

"It is a process of allocation not of valuation. Depreciation for the year is the portion of the total charge under such a system that is allocated to the year. Although the allocation may properly take into account occurrences during the year, it is not intended to be a measurement of the effect of all such occurrences."

That is the end of the quotation, and I might emphasize that our accounting concept is one of allocation of cost, and we do not think of it as a system which attempts to result in a balance sheet value that measures to any degree the fair market value of the tangible assets.

Depreciation is an expense. Prof. Hatfield said years ago: "All machinery, and buildings, too, are on an irresistible

march to the junk heap and its progress, while it may be delayed, cannot be prevented by repairs."

Accountants and business management are in accord that:

1. Production costs and expenses must include a charge for depreciation.

2. Depreciation charges should be determined consistently year by year, by one of the generally-accepted methods of calculation, such as the straight-line method, the accelerated method, sum-of-the-digits or declining-balance method, doubled-production method, units of production, or expected hours of service.

3. Expenditures which increase the value or long-term usefulness of plant and equipment should be capitalized and depreciated.

4. Values to be depreciated are cost or other acceptable basis and bona fide approved appraisal values, less estimated salvage.

5. Assets may be separately depreciated or depreciated on a group basis at a composite rate.

Accounting textbooks and publications will furnish ample material, examples and discussion of the foregoing general statements.

In the balance of this talk I shall attempt to suggest and discuss some of the present-day problems which the subject of depreciation has created. As a background, the following are approximate values for the purchasing power of a 1939 dollar as measured by the Consumers Price Index: 1909, \$1.58; 1919, 82c; 1929, 84c; 1939, \$1; 1949, 59c, and 1957, 50c.

In other words, only 48 years ago we could buy three times as many commodities as we can today for our dollar.

FOUR YEARS OF UNREST: During this period of 48 years, we have had two World wars, the Korean affair, and continuing world unrest. The economic results include, among other changes, inflation with pauses, and very substantial increases in taxes, both income and other.

In addition, there are increases in productive capacity and wage levels, coupled with machine tool builders' and



SECRETARY John Kilick leads off the accounting discussion on May 13, and is flanked (left to right) by speakers Joseph E. Skram, Seitz Packing Co.; Cletus Elsen, E. Kahn's Sons Co.; Dr. Wayne Bitting of the USDA; John G. Stephen, Arbogast & Bastian, Inc., and J. L. Penny, Hall, Penny, Jackson & Co.

equipment manufacturers' ingenuity, which have caused rapid strides in mechanization of American industry and improvement in plant facilities.

As related to depreciation charges, the foregoing factors have materially increased annual depreciation costs, regardless of method of application used, due to continuing increased costs for plant and equipment and materially accelerated obsolescence of plant and equipment in use.

At this point, I wish to express some thoughts regarding the importance that should be accorded to company records of plant and equipment owned. These are applicable to many business enterprises without regard to each management's individual philosophy of the method of depreciation to be used, or the purpose which depreciation charges should serve.

In my own experience, I have encountered numerous companies, many of substantial size, whose only record of plant and equipment was contained in their general ledger accounts.

Investment in plant and equipment of manufacturing and processing plants is sizable and warrants much greater accounting control than presently exists in many situations.

Detailed accounting records are needed: 1) To control the assets; 2) To assist in determination of the depreciable basis; 3) To permit more care in determination of useful expected and actual useful life; 4) To control retirements and gain or loss on disposition; 5) To control repairs and replacements of material amounts, and 6) To furnish accurate records for management to assist them in making required decisions for needed replacements of obsolete items.

May I suggest, as an objective for all of you who may not have adequate accounting control over your plant and equipment, that you consider the installation of a card or ledger record, on which will be entered the following information: Description of item and vendor; date acquired; original cost and subsequent additions to cost; depreciation provision, by years; major repair charges and cause of repairs; and disposition, when retired.

May I suggest also that at least once a year, you physically check the items and correct the detail record if unrecorded changes have occurred.

Such a record, properly tied into the general ledger accounts, will remove, over the years, a substantial amount of guessing with respect to the factors required to calculate depreciation, gain or loss on disposition, obsolescence and equipment replacement policies.

That is enough for instructions.

Present-day thinking with respect to depreciation policies is lacking in uniformity because, in my opinion, business management, not uniformly but in the aggregate, is seeking to develop depreciation policies which will: 1) Be fair and reasonable for cost and profit reporting purposes; 2) Minimize current income taxes to the fullest extent possible, and 3) Provide funds to replace fixed assets at higher prices when present plant and equipment is worn out or becomes obsolete.

I might say that the thought expressed by the Inland Steel Co. executive in the newspaper clipping had to do with the third objective, namely, to provide funds to replace equipment when it is worn out and obsolete.

MANAGEMENT OBJECTIVES STUDIED: Let us examine the foregoing objectives of management and try to develop some thinking with respect to them: Fair and reasonable policy for the purpose of cost and profit reporting.

You are all familiar with the rather widespread ap-

plication of the last-in first-out method in applicable situations of valuing inventories.

This principle contemplates matching current inventory costs against current sales prices and, in the thinking of its advocates and users, correctly states net earnings by eliminating from its calculation gains or losses due to price change and not to sale or production activities.

Further, in a rising market, it reduces current income taxes by reducing taxable income.

Advocates of depreciation charges calculated on the use of current replacement costs for plant and equipment do so for the same reasons.

Few of us will disagree with the premise that current competitive sales prices should be based on replacement cost for inventories, and that costs used to develop sales prices should contain depreciation charges based on sound values for plant and equipment at current replacement cost.

Certainly, if our equipment is under value, we should be thinking in terms of including in costs depreciation based on replacement value.

Generally accepted accounting practice, however, still conforms for the most part with the cost philosophy



E. R. HABBERSETT of Habbersett Bros., Media, Pa., discusses one of the PROVISIONER services for the meat packing industry with Judy Grimm of the NP staff.

for financial reporting. Contemplate, if you will, the confusion in financial reporting which would develop if financial statements were completely adjusted annually to reflect today's valuation for the purchasing value of the dollar, as compared with the purchasing price of the dollar when the various assets, liabilities and capital accounts were developed.

There is some talk and thinking today that we should constantly revise our balance sheet valuations to reflect the changing value of the dollar, and attempt to eliminate from our profit reporting those amounts due to the changing value of the dollar as opposed to our ability to operate.

Consider, too, the present effect in the balance sheet of the use of LIFO for inventories and accelerated depreciation provisions for plant and equipment during an inflationary period.

The result, as you know, is understated values for inventories as compared with replacement costs, and certainly, we would have the same result with fixed assets and materially understated plant accounts.

I think we can only speculate with respect to the philosophy of thought regarding these items when we encounter a prolonged period of deflation, if ever.

As I look around the room I observe that some of you

are old enough to have been through one or two of them, and so have I. But I know, as well as you do, that such a thing is never expected to happen again.

Well, now, for a few minutes I would like to talk to you about minimizing current income taxes to the fullest extent possible by means of depreciation.

The federal government has, on several occasions in order to encourage expansion of plant and facilities, permitted acceleration depreciation deductions by approving five-year amortization of defense facilities, sum-of-digits and declining balance-doubled methods of computing depreciation allowances.

Further, business management in general without the aid of the afore-mentioned special rules, has more consistently than otherwise been inclined to the high side on depreciation charges. All of these factors have, without any question, reduced income tax payments in the years applied.

What is the effect of such policies on the companies' financial statements on their income tax payments and on their ultimate cash positions?

In event such accelerated depreciation charges and tax reductions have been reflected in full in the financial statements, the effect has been under-statement of reported income, of income taxes based on real earnings, and of plant and equipment and retained earnings on the balance sheet.

EXCESSIVE DEPRECIATION TAKEN: I think we can agree that if depreciation is taken in the financial statements excessively, the result, of course, is understated earnings, understated plant accounts, and understated surplus or retained earnings.

Certainly, current income tax payments are reduced in any year in which accelerated depreciation charges are deducted. It follows, however, that up to now, the maximum depreciation deduction allowable over the life of fixed assets is cost less salvage, and that heavy early charges will lead to very light charges later on and correspondingly heavier income tax payments, subject always to the tax rates which are in effect during future years.

Companies with excessively-depreciated plants suffered taxwise under the high war period tax rates, and may again should we be so unfortunate as to have income tax rates increased.

We are all hoping, of course, that soon they may be reduced, but we have no guarantee that they will be.

And further, we do not have to go back very far, just to the '40's, to find many companies that were seriously penalized during those excess profits tax years because of excessive depreciation during the years prior to that period.

It seems to me that one real financial advantage of accelerated depreciation for income tax calculation is in those situations where companies borrowed heavily on relatively short maturities to expand plant and equipment. The minimization of income taxes in the years just following acquisition helps to make available funds with which to retire the indebtedness.

In the third place, let's examine this philosophy that depreciation will provide funds to replace fixed assets at higher prices, when present-day plant equipment is worn out or becomes obsolete.

You and I know that the only funds available to management, except for new financing, flow into a business from operations and the infrequent sale of assets other than stock in trade. We know, too, that after current operating expenses are paid, and payments made to retire maturing indebtedness, the use of the balance is subject to the judgment of management.

It may be funds for plant and equipment additions, to increase working capital, to pay dividends, and so forth. Never, in my experience, which is not necessarily governing, have I seen management set aside accumulated allowances for depreciation in a cash or equivalent fund to use to replace equipment.

We know that depreciation which is accumulated, does constitute in the year of the charge a non-cash charge to expense or cost.

However, we know, too, that management uses that money like it does any other funds for purposes which seem most expedient at the time.

It seems to follow that depreciation charges, as such, do not provide funds for fixed asset replacement, except to the extent that depreciation charges reduce retained earnings available for dividends. Actually, the reduction in net earnings resulting from depreciation is real and does nothing more than partially recoup each year the previous expenditure for fixed assets already purchased.

In summary, my own philosophy of depreciation at this time, is about as follows:

For financial reporting, stay with cost, the straight-line method of allocation, and rates of depreciation which fairly measure the economic life of various assets on



ATTENTIVE AUDIENCE is in silent and serious mood as it listens to expert low-down on meat industry problems.

a unit basis. This will best preserve financial condition and historical earnings. In event of proposed sale of all or part of a company, earning power and asset value are important, and one should not be in the position of trying to restate both in order to obtain an increased price. It is generally futile.

Many American business corporations are family companies or held by a relatively small number of individuals. There isn't any use in kidding ourselves, since we are all tax-minded, that our first thought every year, as a rule, is reducing the tax to the utmost. However, there seems to come a time in the lives of many businesses when their owners and managers think it is expedient to sell out or merge with someone else because of age, lack of continuing family management, or because of a desire to make a capital gain and keep some of the money derived from the sale.

If one has followed a philosophy in the last 15 or 20 years of continually—what shall I say—putting the company in the poorest earning light through excessive depreciation and too liberal a policy of repairs, as opposed to a capital situation, then the day comes when someone is interested in looking at your company, so you say: "Oh, yes, this is all we earned, but we really earned more. Our depreciation is too high. Our officers' salaries, perhaps, are above what we should have to pay to outside management, and we have repaired a lot of things that might be capitalized."

That is all very well, and it all may be very true, but I want to tell you it is a very difficult job to sell that to the proposed buyer. You generally have to stay with your recorded figures.

Pardon me for digressing, but that is something I do feel rather keenly about.

Second, let's examine this depreciation policy for income tax purposes.

APPRAISAL OF FINANCIAL CONDITION: It seems to me management should make an appraisal of its financial condition at the moment, and an appraisal of the trend of possible future tax rates or further tax rates, and that these two appraisals should be the deciding factors in determining whether for tax purposes you will use accelerated depreciation or, let's say, straight-line depreciation.

I feel this, too, that if on your tax returns you choose an accelerated method of depreciation, such as the sum-of-the-digits or the declining-balance method, that on

your reported earnings statement you should show normal depreciation, normal income tax deductions, and carry to your balance sheet provision for those future income taxes that will be payable when your assets are fully depreciated as a result of employing these fast write-offs.

Third, I think management has the responsibility of conserving its working capital for operating expenses, or rather, for operating purposes and future expansion. This should be accomplished, not by materially misstating earnings due to excessive depreciation charges, but rather, by management making its policy known to the shareholders and owners.

Actually, if management is convinced that depreciation charges in the income statement based on cost result in over-stated income, let them add an additional charge as a separately disclosed item, with contra-credit to some form of appropriated retained earnings.

Finally, companies which charge off their plant and equipment on a materially accelerated basis, may in future years decide unwisely to develop costs as a basis for sale price calculations. These include very inadequate current charges for use of plant and facilities which have been previously written off before the end of their economic life.

Such situations and practices could develop undesirable sales-price structures.

I would like now to offer some comment based on certain of the things I heard this morning.

I think it would be helpful if top management would give more support to its cost accounting department; if they would evidence a real interest in the development of costs—comparative costs—with other people in the same industry.

In connection with depreciation, it would be wise if they would evidence a real interest in the useful life of their plant and equipment.

It is my opinion that many rates in situations are, fixed on the basis of: "What do you think we can deduct this year? What can we get away with?"

Of course, you and I know that unless we use one of the approved accelerated methods, such as the sum-of-the-digits or the declining-balance doubled, we can't get Uncle Sam's approval. And if our acceleration is just caused by an incorrect estimate of the economic life of the various assets, that, naturally, comes into our financial reporting and into our costs.



INDUSTRY SPEAKERS at all NIMPA convention sessions held attention of audiences as respectful as this one appears to be doing.

Profits—How We Keep 'Em

Realistic Sales Analysis Tells Where You're Going and How to Get There



Explains Little Rock Packing Company's E. L. MERCING

SALES analysis is a subject about which I have very strong personal convictions. These convictions have been formed during the past two years, principally because I have been able to see and measure the results that sales analysis has produced for our company, the Little Rock Packing Co.

Sales analysis in itself is meaningless, but the proper use of the information gained can be of immense benefit to any packer, whether large or small. I am certain that most packers have some type of sales analysis, but in the case of the smaller packers, too many are content barely to scratch the surface, not realizing the full measure of benefits within their grasp. They are satisfied to analyze the sales of a few major products by weight only, with everything else grouped together under broad classifications, such as sausage, smoked meats and beef, with no consideration, or very little, toward analysis of the dollars received from the sale of the product.

It is a basic economic fact that the movement of product out of our plants will not in itself return a profit. The most important part of the transaction is that the product be sold at a profit, that we realize from the sale sufficient funds to pay our operating costs and have a fair margin of profit as a return on our investment. I wonder how many of us today can say with confidence that we are selling our products at a profit, and have the facts to prove that we are operating on such a basis, product by product.

I strongly advocate that you analyze your sales first by sales territories, then by product within the territories, both in weight and dollars. By analyzing sales in this manner, you will have available the sales realization on each product by sales territories and the overall realization on each product from all territories.

This does not mean that, if your company produces six kinds of fresh pork sausage, you arrive at one overall sales figure in pounds and dollars for sausage. The analysis should segregate the sales of each particular brand of sausage, both by weight and dollars. Any grouping together of similar products with different packaging costs and different selling prices can help defeat the purpose



LOBBYING for elevator service was one of the less pleasant activities during the annual NIMPA convention at the Palmer House.

of sales analysis and negate most of the benefits to be derived by your company.

I realize that the last few remarks tend to scare the average small packer. He is inclined to say that it is too large a job, that the costs will far outweigh the results obtained from such an analysis. I cannot agree with this belief; however, the exact degree of sales analysis necessary, the methods involved in making the analysis, and the cost to obtain the information will vary with each packer. Before we devote any time to discussing different methods of analyzing sales, we should discuss the benefits to be derived from such an analysis.

ACTUAL SALES REALIZATION SHOWN: One of the most important benefits is knowing your actual sales realization. Perhaps we should define sales realization. With adequate sales analysis, we arrive at the total pounds sold and the dollars received from the sale of a product in a given period, usually a week. By dividing the total weight into the total dollars, we arrive at the average selling price of the product, or the sales realization. Your first thought may be that you set the prices on your products and that is what you realize on their sale, or at least within a fraction of a cent of the price list. That last phrase is the joker. I have seen that fraction of a cent grow to 3c, 4c or in extreme cases, to 10c. If your company is very small, with few salesmen, you may be justified in this confidence, but as you expand and open more territories, you need more factual information.

In the old days, a favorite expression of pilots was that no matter how stormy the weather, they would fly by "the seat of their pants." Under the highly competitive business conditions of today, we certainly do not want to be in the same category and manage our plants from a chair without having the proper instruments or reports to pinpoint the danger signs, thereby enabling us to take immediate corrective steps.

It is a common thing in this industry to say, "This is the time of year we are supposed to lose money, so I guess we did not do too badly. We could have lost more." Visualize if you will, your sales tonnage for 1956. What position would you be in today if you had realized 1c more per pound on your overall sales, or even 3c per pound? If you lost money last year, it probably would be enough to change the loss to a profit. Without the information available from sales analysis you may think that the issuance of your price list is sufficient inasmuch as you have established prices that should provide for profitable operations. With market conditions as they are today, you will not realize the prices on your price list unless you have adequate controls for insurance.

Many companies operate on several price lists. With volume discounts, carload prices, trading privileges, etc., they have no way of knowing what they actually realize on the overall sales of a product without sales analysis. If you do not know what you receive for a specific



yours
for the
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NEW FACTS FOR MEAT PACKERS WHO WANT TO CONTROL COSTS

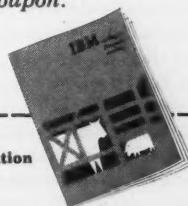
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product, then how can you say that you are selling at a profit? At the mention of profit, I think of two things: 1) what we realize from the sale of a product and 2) the delivered cost of the product. Looking at the end result—the profit or the loss that is fashionable in the industry now—you cannot get the complete picture. You



FRED SHARPE, director of sales training for NIMPA, builds up the mystery speaker on "How We Lose Customers." Although the mystery man spoke from concealment, his voice and drawl gave him away as NIMPA president Chris E. Finkbeiner.

must have absolute control over these first two steps to insure that the end result, or profit, is what you want it to be.

USE ARITHMETIC, NOT ALGEBRA: It is of little value to keep elaborate figures unless you first know your sales realization. Many executives do not advocate complete cost systems for small plants, but contend that a good system of periodically testing costs on products is adequate. Such a testing system is of limited value unless you know what you realize on the sale of the product. The whole purpose of such a system is to determine whether your margins are adequate for a profitable operation. Expressed arithmetically, sales less costs equal margins.

Evidently, too many of us consider ourselves experts in algebra, attempting to solve the problem with two or even three unknowns. If you know your sales realization and your cost, then figuring the margin becomes an elementary problem in arithmetic. Without such sales analysis, the best cost system could not produce accurate information on margins. Speaking factually, you could not have such a cost system in the first place without the detailed sales information.

Sales analysis is also essential in making route profit and loss statements. I have heard many executives, not only in the meat packing industry but in other types of business, state that a certain sales territory consistently produces high sales volume, so it must be a good territory. In our industry, we cannot judge a sales territory to be exceptionally good because it produces high tonnage. We must further examine the sales.

Is there the proper balance between the sales of the different product classifications? Do we sell the proper ratio of processed items? Are the sales out of ratio between low and high margin products, jobbing items, etc.? All of these factors must be considered, including the expense of selling and delivering the product in the territory. It's entirely possible that, although a sales territory might have high volume, it could be long on low margin sales with high selling and delivery expense, thereby producing losses. We must insure that every territory provides us with an adequate return on our investment.

So far, the only thing I have discussed is the value of sales analysis from the viewpoint of checking price list adherence by our salesmen, its importance as an essential element of cost systems, and that we must sell at a profit. The reports produced by sales analysis are also exceptionally valuable tools to sales managers. A sales manager has at his fingertips sufficient information to measure a salesman's results within minutes. He can determine sales increases and decreases and the products concerned. Comparisons can be made with sales quotas. Sales can be compared, product by product, with sales of the previous period or with the sales of a year earlier.

A good sales manager immediately can feel the pulse of a sick territory. More and closer supervision can be placed where needed. Used in this manner sales analysis becomes another important management tool in assisting to evaluate the efforts of sales personnel.

BALANCED SELLING ADVANCED: We use the term balanced selling in our industry. I wonder if we actually make a concerted effort toward balanced selling or if it is just another expression. Unless our entire sales force is thoroughly conscious of balanced selling, we tend to create overages and shortages of certain products and can fast turn profits into losses. Unless the sales managers have sufficient information, through sales analysis, it is difficult to determine whether a salesman is selling all of the animal or whether he concentrates on a few favorite cuts, selling the other cuts only when the customer asks for them.

As an illustration of this point, visualize a packer equipped to slaughter 5,000 hogs per week. If his sales organization sells the hams from 8,000 hogs, the bacon from 6,000 hogs, the butts from 4,000 hogs and the picnics from 2,000 hogs, think of the production problem in this plant. Numerous items cannot be shipped,

NOT CONTENT with sparking NIMPA's new manual of cost accounting, Cletus Elson of E. Kahn's Sons Co. describes the NIMPA Accounting Conference, an organization which will bring together all accountants in the meat packing industry.



while excesses in stock build up on other products that are moved in a manner that hurts the entire industry. With your sales manager and salesmen thoroughly conscious of balanced selling, coordinating their efforts through good supervision, ably assisted by detailed analysis, you can smooth out your production. Customers' orders can be filled and shipped as ordered, with markdowns and backorders kept at a minimum.

With adequate sales analysis, you have much more freedom in stimulating sales through contests. It is a simple matter to pay extra sales commissions on products that you are featuring, either on the basis of actual sales or on a per cent of increase on the sale of the product over the comparable period of the previous year. It also furnishes information necessary to evaluate

the results of sales promotions by territories and the overall results.

While my next remarks are not connected specifically with sales analysis, I think they are points that should be mentioned. Anytime you set up the mechanics or have machinery to produce certain products or, as in this specific case, information, it's only natural that you search for other means of utilizing the same methods to produce additional information of value to you. If you operate a typically small plant, you always have a space problem, both in your production departments and in your coolers. It is disheartening, and bad business, to work your crews overtime producing products to rest in peace on the shelf and then find that you are marking out products on customers' orders.

We receive our orders at the plant in sufficient time to analyze them prior to their being filled. This analysis, which we call a production recap, is forwarded to the foremen of the various production departments early in the morning. In this manner, they know exactly what is to be shipped the balance of the day. This results in some processing labor and all packaging labor being expended first on products needed for immediate ship-



DR. A. R. MILLER, chief of the USDA Meat Inspection Branch, was welcomed to the NIMPA convention during the session on humane slaughter instruments.

ment. Naturally, this keeps our cooler stock at a minimum, with less shrinkage, and results in fresh products being shipped at all times. Less working capital is tied up in inventories. I know the benefits gained from this alone are enough to offset the complete cost of our sales analysis department.

PERPETUAL INVENTORIES POSSIBLE: The same equipment also is used to summarize departmental production records. By utilizing the production figures and the sales information derived from sales analysis, we are able with a minimum of effort to keep perpetual inventories on all products. While I am not advocating that this should be done at all plants, I am certain that many of you can see the results and the benefits to be gained by such a perpetual inventory. The information would be valuable in establishing claims on fire losses. Excess shrinkage would be revealed. It could reveal product shortages and be instrumental in establishing bond claims in the event of theft.

I have been talking about the benefits to be derived from sales analysis and not yet discussed the different means of acquiring the information. Regardless of how valuable any information might be, we still want to secure it in the most economical and quickest way possible. My next few remarks will be directed principally to the smaller packer. I would suggest that before any small packer becomes involved in elaborate means of analyzing sales, he first study the problem and work

out the procedures, using clerical labor in hand-posting the transactions. As an example, I will go through the various procedures we utilized.

Two years ago, we started analyzing our sales in tonnage only, grouping similar products. This took about 50 per cent of one clerk's time. We went over our products, item by item, and arrived at the exact amount of sales analysis that we desired. We then decided that we wanted to know the sales, in weight and dollars, of 102 different products. It required the efforts of approximately four people to analyze our sales by hand-posting the transactions. After about three months, we took a good look at what we had been doing. We found that to analyze our sales properly, it involved 15,000 to 20,000 individual postings each week.

A further check revealed that 35 out of the 102 products we sold covered 90 per cent of the sales transactions. We designed a four-part order form with the major products pre-printed on the invoice, thereby eliminating 90 per cent of our salesmen's writing. This increased the accuracy of everyone handling the invoice.

During this period, we had been investigating different machine applications. We visited several plants having different machines and procedures in acquiring the information. Generally, we found two different systems in use, either punch card systems such as IBM and Remington or systems utilizing the National Cash Register packinghouse analysis machine. I am not recommending one method over another; I am merely stating the different systems we found.

ONE PERSON COULD DO THE JOB: We found that by utilizing the National Cash Register machine, we could do the job adequately with one person. However, in further utilizing the machine as previously mentioned, we enlarged the duties sufficiently to require about 50 per cent of the time of another employee. Again, though, the actual machine-time necessary for sales analysis is less than the full time of one person, we use the additional time in generating different types of reports, sales comparisons, quotas, production reports, perpetual inventories and information of this type. It costs us approximately 4c per 100 lbs. to analyze our sales and produce the reports.

The punch-card system is an excellent means of securing sales information. However, the punch-card system is capable of handling all of your general books, payrolls, receivables, billing, etc., and would suffer in a cost comparison unless the equipment was fully utilized.

Another method of securing sales information was on display at the convention last year. It consists of the IBM Cardatype system, which also utilizes punched cards. This particular system can be used to bill your orders, produce printed, automatically calculated and totaled invoices, make your accounts receivable statements and for sales analysis. So, again, any cost comparison would be unfair. I will say this, though, that the machine is more suitable for the small packer.

In summing up my remarks about the various machine methods to acquire sales analysis information, I still believe that the best approach to the problem would be for each small packer to sit down and decide exactly where he wants to go. Then he should attempt to work out the problem by hand-posting the transactions, unless he has extremely high volume. I have no doubt in my mind that a good many packers here today could analyze their sales sufficiently by utilizing the full time of one or two clerical employees. After this has been accomplished, it is a simple matter to decide the degree of mechanization your sales volume warrants.

Profits—How We Keep 'Em

Machine Accounting Pays Many Dividends If Usefulness is Fully Exploited



Reports Krauss Comptroller D. F. TIMMONS

MR. MERCING has told you what we need in the way of sales analysis, and he has touched on some of the facets that affect such a program such as the costs which go along with it.

He has also outlined two methods by which you can make sales analyses. I would like to confine my discussion to the use of tabulating equipment, because that is what we use, and we have found that it has worked very successfully for us.

In the years following the end of World War II we have seen a tremendous change in the meat industry. The majority of such changes, however, have affected the production line.

Fully-automatic and semi-automatic machine operations have greatly increased production efficiency and this has enabled plants to expand their output greatly and maintain a modest profit level. They have been able to do this despite increased operating costs during the same period of time.

The automation and mechanization of the office have unfortunately lagged considerably behind.

Larger companies have been aware of this problem and have made use of such innovations in office procedures as punch-card equipment, but what about the small company? Let's see what can be done with the small company.

I would like to tell you what we did in our own organization. It is my belief that most small companies in the meat packing industry can effectively make use of tabulating equipment to some degree.

Each case must be taken and studied on an individual basis to determine the most effective application of the machines. A minimum installation, for example, would consist of a key punch machine whereby you can punch on cards certain information, code-numbered for your product, etc. From these cards a report can be run by an IBM service bureau or some statistical tabulating service for you.

You can go even further than that. Statistical companies and even the IBM service bureau—and I am going to feel

like an IBM salesman by the time I have finished here—can do a splendid and complete job for you.

They can give you anything that you want, from key punching through finished reports, and such applications can include payroll, sales analysis, and inventory control, etc.

A simple setup, involving the use of a service bureau, becomes the springboard for a more extensive machine installation as the company progresses.

Another important factor governing the use of machines is the current shortage of clerical help, both skilled and unskilled. The office labor market is tight and, according to many authorities, it will continue to be so for at least five or six more years.

The following excerpt from an article by Edith Kahn on personnel appears in the yearbook issue of *Office Management* of March 15, 1957, and it emphasizes this point:

"Perhaps the most significant trend of all showed up much more strongly than it had in the past.

"More and more companies looking at the population trends, which seem to indicate that the shortage of workers would continue to grow more acute as long as present economic conditions continue, began to turn to mechanization, not primarily to make the office more efficient but primarily to accomplish work for which it was becoming too difficult to find human workers."

OFFICE PERSONNEL SCARCE: The picture is complicated further by the fact that the demand for office personnel has increased appreciably. A recent government survey revealed that during the period from 1947 to 1956 the number of production workers in the United States rose 5 per cent, while the number of office workers rose 52 per cent in the same period.

The cost of operating an office is rising. Consequently, anything that we can do to curtail these costs and provide us with operating information necessary in a competitive sales market, should be thoroughly explored to ascertain its possible use within your organization.

There is unquestionably a dearth of operating information in the majority of packinghouses today. The need has become apparent in these years of rising costs, keen competition and shrinking profit margins, and more and more packers are stepping out to obtain the facts that they need.

To attain this satisfactory position in a tight labor market such as we have now is expensive. The progressive company is turning to high-speed accounting machines that will do the job at a reasonably comparable cost.

Being a small packer, our company has found it extremely advantageous to utilize electric accounting machines. We are necessarily limited in the space available for office use and in trying to fit everything that we have into a minimum of floor area.

Our entire office crew is also very small. Our tabulating department, for example, consists of a supervisor and three key punch operators. Each of these key punch operators



REGISTRATION is in full swing at NIMPA desk in the lobby.

is rotated on various jobs that are performed in the tabulating department so that there is an elimination of boredom resulting from repetitive work. Moreover, in the event of sickness or vacation periods, we are not caught short of experienced workers.

As to the cost of an installation, which is, of course, of primary importance, there are many operating reports and statistical studies that can be done by machines.

With proper coding and source data a veritable storehouse of information is available. For example, and some of this, incidentally, has been touched upon by other speakers, a customer sales analysis can easily be prepared for a given period of time showing what products the customer buys, how much he buys, and the size of the orders.

The same thing can be done for a group of customers in a particular geographical area. This is perhaps a strange way to start talking about the cost of accounting machines.

The point is made, however, to emphasize the fact that there is a great deal of work that a machine installation can do that will be very difficult for you to measure in terms of dollars and cents.

Based on our experience, one should not approach a punch card installation with the idea of immediately saving money in operating the office. The philosophy of approach, rather, should be to provide management with the information so vital in today's competitive market.

Such information would include sales analyses, departmental labor costs, distribution costs, salesmen's price adherence, product costs and margins. Perhaps even more important, is the fact that in our industry this information is needed as quickly as possible.

Phrasing it concisely, yesterday's costs are needed today. It is not possible to say categorically that "X" number of machines will cost you "X" dollars per month. The rental on the same machine installed in ten different companies could be a different amount in each case. The reason for this is because of numerous attachments and changes that can be made to enable the machine to do the particular job that you desire.

WHAT WILL YOU NEED? The only way to find out is to know first all the work that you desire to accomplish, the jobs that you want done by the machines, and then to let the manufacturer's representative tell you what you need.

From his estimate of your needs, plus an estimate of peripheral costs, such as wiring, or the punch cards and paper and necessary personnel, an intelligent appraisal of monthly operating costs can be determined.

This should be weighed against procedures currently in use in your plant. The machine installation should give you more information, and it should give it to you faster. Do not, however, plan merely to replace manual methods by the machine. This alone will not give you a sufficient return on your investment. Ask yourself what you need in the way of day-to-day information to make intelligent business decisions.

The answer to this question should influence your decision to a great extent on a punch card installation. These machines are available on either a rental or a purchase basis. However, it appears to me that these machines should be acquired solely on a rental basis since the technology in this particular field is advancing so rapidly that if you buy a machine it is likely to be outmoded within five years.

In addition, of course, purchasing the equipment is expensive in that it ties up working capital which can be more profitably employed elsewhere. We should work our way into IBM installations slowly. Sales analysis, be-



ACCOUNTING COMMITTEE members E. R. Ganter, Heil Packing Co.; A. C. Bruner, East Tennessee Packing Co.; James Connelly, Reliable Packing Co., and John Byron, Louisville Provision Co.

ing a volume operation even in a small company, should be the first logical step.

For this purpose we rented an IBM key punch machine, hired an operator and utilized the IBM service bureau.

This speeded up our sales analysis by at least a week. This step, alone, was not enough, for our company was growing too fast and it still is.

Clerical procedures for handling costs and accounts receivable, in particular, were outmoded and inefficient. The cost reports to management were late, and since they were late, they were of questionable value. The accounts receivable billing procedure resulted in a heavy workload at the end of the week and called for overtime by office personnel.

We made a three-month study of the problem, with a view to possible conversion of our entire setup to IBM electric accounting machines. It was clear to us that we could not justify an installation in our plant on the basis of solving just these two problems. It would be too costly. The machine application had to be an all-encompassing one; one that would do as many jobs.

This may not be common to all installations, but in our particular case we felt it was mandatory to obtain maximum machine use as quickly as possible.

Conferences were held with our IBM field representative to determine the basic machines needed for our purposes, and we placed an order in March, 1955 for delivery in February, 1956.

It was necessary for us to hire a tabulating supervisor prior to the installation of the machinery in order to lay the preliminary groundwork for the first jobs that would be placed on those machines. He concentrated on the job-installation sequence and the system, the forms and procedures necessary to orderly work flow.

PRESSING PROBLEMS FIRST: Since our accounts receivable and sales analyses were most pressing problems, they were selected as the first area of attack. The cost system required a complete overhaul, and this was scheduled with a target date of January 1, 1957.

The recommended procedure is, I believe, to take on one new job every six months, but we decided we couldn't wait that long. We wanted to get the maximum dollar value from our machines as quickly as possible, and so December 31 was the outside date.

In other words, we had to be pretty well finished by that date. There was a time lag between the installation of the accounts receivable and the next item, which was the general journal-general ledger.

The reason for that is that we had little difficulties when we first started, and this is a point which I cannot emphasize too strongly if you are to consider an installation such as this.

The person who runs your tabulating department has a tremendous responsibility on his shoulders, and he has

to be a good man. If he is not, your installation will not succeed. In other words, your installation is only as good as your tabulating supervisor.

During the period that these various smaller jobs, the general ledger, payroll and accounts payable were being placed on the machine, the main job, which would take a long time and I refer to the cost system, was being worked on. We worked eight months to get that in, and the preparation was going on concurrently with these other applications.

A great deal of the work in the cost field, of course, was done for us by an outside agency. Without this help we certainly would not have finished and put this program on the machines as rapidly as we did.

We have some simple applications, such as the general ledger and general journal. The application to payroll, which we set up in September, was one which was not particularly recommended for use by the IBM because we have so few employees. We have only 160, and they do not recommend machine use on a payroll of that size. However, we found it very effective.

There are many ways in which a tabulating installation can save you time in the office by picking up lots of little odd jobs here and there. It is just these extras that will make the installation pay off in the long run.

There was one area in which we did not do as good a job as we should have, and this was in conditioning our office employees to the acceptance of the procedure. This is a problem.

WORKERS FEAR MACHINES: It is a typical problem since employees feel they are ultimately going to be replaced by a machine, so that when one presses a button and everything works, we fire five clerks. If we were starting over again we would take a little more positive approach to that situation in order to eliminate some of the needless fear on the part of the employees.

In our particular instance we neither increased nor decreased the number of office workers, but this will not necessarily follow in every case. It is possible that you might eliminate no one, and you might have to hire more people, at least on a temporary basis, until your more trained workers became acquainted with the procedures, and until you became more fully familiar with the machine applications.

A successful operation depends on two factors. First, the controller, or whoever is responsible for supervising the machine unit, must know how he wants the work done—not the mechanical aspects of it but the form it shall take—and what results he expects it to attain. That

LEFT: Overseas visitors included C. Heinemann of F. Heinemann, London, England, and Martin Baily, Master Butchers, Ltd., Adelaide, South Australia. CENTER: Milling in the lobby. RIGHT: W. Werner, Werner Manufacturing Co., Yale, Mich.; Chris Schmidt, Grand Valley Packing Co., Rosevale, Mich. and Horst Seydelmann, Stuttgart, Germany.



person is very important. Then, the tabulating supervisor, as I have already mentioned, must be a good one.

With these two factors in mind, your tabulating department can be a success.

From the viewpoint of operating management, our biggest benefit has been the evolution of our cost system, which has been completely revised and brought up-to-date. We think it is pretty good.

There are, of course, many areas in it, as there always will be, and they get more complex the deeper you get into it. We still can do a lot of work, which we intend to do.

In the areas of cost, sales analysis, and accounts receivable we are obtaining information and performing functions that we were not physically able to do prior to our punch card installation. The machines are also versatile within a relatively short time, so that a new job can be planned, programmed, and placed in work.

This makes the accounting department a flexible one, and one that is able to adjust quickly to the changes that go on in a dynamic business.

One of the interesting by-products of an installation is the revealing insight it provides into the existing systems and procedures of the company.

Since it is necessary to examine extensively office procedures, to ascertain whether you can fit them into the tabulating operation, you are in effect making a systems-analysis.

STUDY OFFICE WORK FLOW: It is an established fact that unless an office has had a recent major review of its procedures, the chances are good that there is an accumulation of useless routines and work flow. The use of tabulating equipment precludes this to a great extent. Everything has to fit into a pattern.

The exceptions have to be handled in a special way, but they have to be worked out, and you have to work these exceptions out so that they are few and far between.

In summation, I would like to state this: Investigate the possible application of punch cards to your company. Estimate the cost and the problems involved and carefully measure the returns that you will receive on your investment—returns that should give management such information as is necessary to make decisions and set overall company policies.

It is a basic function of the accountant and the accounting department to supply this information. The use of punch card equipment is another tool that can be shaped and molded. There is one final ingredient which is mandatory in the successful installation of a tabulating department, and that is that top management in the company must be sold on the idea.

I don't mean you have to do a show job on management, but the company's executives must be convinced that they are going to derive great benefits from the installation of accounting equipment.

Humane Slaughter

Packers and Suppliers Describe Methods and Special Instruments



SCHERMER stunner, equipped with a handle, is demonstrated at humane slaughter session by O. H. Hartenau, representative of Alpha International Corp.

EXECUTIVE SECRETARY JOHN A. KILICK: I would like to make some introductory remarks for this session because there are delicate issues involved here. We should put them in the record in such a way that there can be no misinterpretation or misunderstanding as to why this session was arranged and what we purport to do in it.

There are two or three things I would like to emphasize right at the outset. In the first place, there is legislation pending at this minute to place our entire industry under federal law compelling the use of so-called humane slaughtering instruments. There are a number of bills pending on this matter.

Before he died, the late Wilbur LaRoe testified on behalf of NIMPA in opposition to any sort of federal compulsory legislation dictating how the packing industry should slaughter its livestock. Our industry has been under sharp criticism from the Humane Society people for, as they put it, "dragging our feet." I will make no comment on the veracity of that charge. One of the purposes of this meeting is to show we are not dragging our feet.

We put this session on the program for a very specific purpose. We want to enable the members of our association and our guests at this annual meeting to have an opportunity to see the various instruments that are now classified in the humane slaughtering category.

I would like to make it doubly emphatic that we are not endorsing all or any one of them. We are not trying to make this a competitive fight here this afternoon. We are trying, actually, to make it a two-way street. We want to enable our people to see and hear these things about weapons and instruments and methods.

We also feel that out of this meeting may come expressions that will help the technical people in the firms manufacturing these instruments to get the benefit of some packer ideas as to what improvements and what developments can be made. The manner in which this will be done will be explained by your chairman, but I was anxious to place it on the record that in no sense whatever can the fact that NIMPA is staging this meeting be construed as an endorsement of the legislation that is now pending in the Congress.

MODERATOR E. Y. LINGLE, Seitz Packing Co., St. Joseph, Mo.: What we say here will be our own personal ideas and opinions. We will discuss first the CO₂ hog immobilizer and then four cattle stunners.

We will deal with our subject on a very factual basis. Unfortunately, it has been dealt with on an emotional basis too many times. We will have the packers talk a few minutes about why they use the various methods and what the results are, what they like about them and what they don't like about them. Then the supplier of that

particular method will follow immediately after the packer speaker.

First, we will call on Wells Hunt of Hygrade Food Products Corp., Detroit, which has been using the CO₂ immobilizer. He will give us his ideas of that method.

WELLS HUNT: Before presenting our views of the advantages and disadvantages of the CO₂ immobilizer, a brief review of the special problems confronting our company at its Indianapolis plant should provide a better understanding of the reasons for our decision to install this equipment.

The Kingan plant at Indianapolis is the largest slaughtering unit in the Hygrade system and one of the larger units of the industry so from a volume standpoint there is little doubt as to the adaptability of available CO₂ immobilizing equipment.

However, the existing slaughtering equipment was installed many years ago and was in urgent need of rehabilitation or complete replacement and modernization. Its operating costs and maintenance requirements were excessive. With existing hourly labor rates, the relatively low production per man-hour of this old installation resulted in labor costs too high to make this operation truly competitive.

Thus, we were faced with the necessity of making substantial capital improvements to modernize the kill operations and reduce operating costs to a competitive level. With the decision to modernize these facilities answered in the affirmative, the real problem became to determine just what equipment and layout should be used, whether conventional equipment should be used and what new equipment and methods were available. We were fortunate in one respect, at least, and that is that plenty of room was available to accommodate nearly all conceivable useful equipment and layout.

Only after consideration of all types of available equipment was a decision made to install the immobilizer. We must admit that the cost of installation of this equipment was high. For example, to accommodate the immobilizer and tie in with the hog dressing and chill areas, it was necessary to construct a bridge 400 ft. long, connecting with the hog runway, in order to provide the required floor area and a location that would give the proper flow to the operation.

The fact that a portion of this expense would have been incurred even if conventional equipment had been used softened the blow, so to speak. Experience with the operation of the immobilizer has fulfilled our expectations that its cost was justified in this instance.

In one other respect, also, our situation was not typical so we derived from the installation of the immobilizer an extra measure of cost saving. Over the years, through

tradition and precedent, the operation of the old equipment involved an uneconomic and excessive manning of the kill lines. The consequent low standards could be corrected only by the complete revision of the entire kill operation. This provided us at the Indianapolis plant with an extra advantage beyond that normally to be expected from the installation of this equipment.

In listing the advantages to us of the immobilizer, we would have to list first the improved cost factor resulting from the reduction in the number of people required to perform the operation and accompanying increase in rate per hour of the kill. By eliminating the old method of shackling, bleeding, dropping and scalding, we were able to reduce by 20 the number of men on the line from the stock pens to the dehairing machine.

Another advantage is that one of the hardest and most disagreeable jobs in the slaughtering operation is eliminated by the immobilizer and conveyor bleeding. This makes for reduced turn-over of help in this area of operations and better employee relations. The men work with considerably less effort, and the working conditions are very much improved. Also, the elimination of shackling makes the operation much safer as the chances of injury to personnel are greatly reduced.

There has been a substantial reduction in bruises, which is attributable to the elimination of shackling and hoisting. Incidentally, the hind foot is cleaner and can be saved for edible uses because shackle marks are eliminated. The dehairing operation is improved as a result of controlled bleeding time and the improved regular flow of hogs into the scalding tub.

The bleeding conveyor fixes the time that elapses between sticking and the time the hog enters the tub and also the number of hogs in the tub. Thus, the flow-through is easily maintained so that we attain the uniformity of scalding required for best cleaning.

The rate of production is more easily regulated and can be maintained more constantly. With the immobilizer, it is a simple matter to feed the hogs onto the immobilizer conveyor at the rate of kill desired without any interruptions. In our case, this is an important factor as delays and servicing in the shackling area seriously affected our operation with conventional equipment.

Blood recovery is better. All blood is caught in a trough which carries it to a tank where it is immediately dumped to the dryers. There is a minimum of dilution of the blood with water, which reduces the amount which has to be evaporated. The waste of blood from washing down blood areas, with consequent loss of blood into the sewers, is also practically eliminated.

There are certain disadvantages to the CO₂ immobilizer equipment that our experience indicates should be considered by anyone thinking about installing it.

The equipment and installation are expensive and usually require extensive remodeling or new construction for its accommodation. The cost of these expenditures must be carefully weighed against the resulting savings obtained. The addition of a considerable amount of equipment and machinery increases maintenance problems and requires better and more skilled supervision.

Because of the greater amount of machinery and dependence upon it, operations are more vulnerable to breakdowns. In our case, electrical power consumption has increased, and additional motors and conveyors are largely responsible for this. Also, there is considerably more equipment to clean up.

The CO₂ regulating mechanism requires skilled maintenance as gas concentration is quite critical and must be maintained at the correct level. Too heavy a concentration results in dead hogs which are condemned. Too light



WELLS HUNT of Hygrade Food Products Corp. presents a clear picture of advantages and drawbacks of CO₂ immobilization. Moderator E. Y. Lingle and Walter McCray are at the right.

a concentration fails to anesthetize the hogs and throws the bleeding conveyor into confusion. The cost of the CO₂ gas itself is an additional operating expense not involved in conventional slaughter methods.

On the whole, the immobilizer has substantially improved our operations at Indianapolis and made possible the solution of a difficult operating problem and an important cost saving. We certainly would not want to go back to the old shackling method that we formerly used.

MODERATOR LINGLE: I would like for you at this time to hear from Lou Crawford of the Allbright-Nell Co. of Chicago, the supplier for the CO₂ system.

LOU CRAWFORD: I have been given two or three minutes to describe this unit and, frankly, I can't do it in that time. However, we do stand ready, willing and able to sit down and discuss your individual problems.

We have been successful in making layouts with kills of 60 an hour, and we have been successful at the level of 1,200 an hour.

MODERATOR LINGLE: At this time we are going to talk about cattle stunners. Our next speaker is R. D. Stearns of the Peet Packing Co., Chesaning, Mich., which is using the Schermer stunner.

R. D. STEARNS: My rather brief remarks will be an incomplete report due to the shortness of time we have been using the Schermer stunner.

Shortly before coming to this meeting, I called the knocker and foreman of our beef killing department and inquired about their satisfaction with this equipment. I was told that they have stunned approximately 3,000 head of cattle in the few weeks the stunner had been in use and, with the exception of two splintered handles, the apparatus has given faultless service.

The knocker advised me that he likes it because use of the handle enables him to stand on the knocker's platform, which he thinks is better. The supervisor likes it because of its trouble-free service.

Three thousand head of cattle are not enough for a complete report. However, if it continues as satisfactorily as it has in the past, we are going to be very well satisfied with the equipment.

MODERATOR LINGLE: O. H. Hartenau of the Alfa International Corp., manufacturer of the Schermer stunner, now will give us some technical details.

O. H. HARTENAU: The Schermer M.E. stunner for humane slaughtering is the newest model of a long line of stunning devices that our factory has invented and perfected over a period of more than 30 years.

This new stunner is a penetrating, single-shot, captive

bolt-type instrument, activated by a blank cartridge inserted in the cartridge chamber. A simple twist of the hand locks the chamber, and the stunner is cocked by pulling the striking pin back. To stun the animal, the muzzle of the stunner is placed firmly and flat against the head of the animal, and the trigger is pressed down. This causes the captive bolt in the barrel to be pushed forward.

The instrument stuns the animal instantly and renders it unconscious; it continues to breathe normally until it dies from loss of blood.

Because of several exclusive safety devices, the Schermer stunner cannot be fired accidentally, regardless of any sudden and unexpected movement the animal might make.

The bolt is automatically withdrawn and the spent cartridge automatically ejected when cocking the trigger as usual. The stunner is then ready for reloading and the next shot.

The M. E. stunner is designed for heavy duty and for establishments where sure, safe, sanitary and quick action is desired. The walls of the barrel are thick and protected with a non-skid rubber sleeve so the barrel will not heat and burn the hand of the operator. It functions without recoil and, therefore, does not cause swelling of the wrists or stiffness of the arm. The stunner works silently when positioned correctly, that is, when held flat against the head of the animal. Nearly all the vital parts of the instrument are completely enclosed so the Schermer stunner is as sanitary as can be made.

The Schermer stunner can be used all day without interruption for repacking of the rubber grommets in the bagel or greasing or cleaning. Maintaining the stunner in good working order consists of a simple cleaning job at the end of the working day—oiling and wiping the inner parts clean. The stunner is so simply constructed that worn-out parts can be replaced quickly by anyone; expert knowledge is not required.

The stunner is available with or without handle. Where knocking pens of about 3½ ft. in width, holding a single animal, are used, no handle is needed. For longer pens holding several animals, some operators prefer the stunner with handle attachment which makes it possible to reach animals even when they are lying down in the pen.

Four different types of cartridges are available. These vary in power and should be used as follows: No. 21 for bulls; No. 17 for heavy steers and old cows; No. 13 for young beef cattle and hogs, and No. 11 for calves, lambs and sheep. The cost of the cartridge will vary from 2¾c each to a little over 3c, depending on the quantities purchased.

While the Schermer stunner has been used so far in this country mainly for stunning cattle, it is also widely used in other countries for stunning hogs. This is done with our Schermer hog lift. The lift is a little over 6 ft. long, about 3 ft. wide, and weighs about 660 lbs.

The lift is portable and can be bolted down anywhere on the killing floor. The hog enters the lift by means of a ramp. When the animal enters, its forelegs operate a spring which causes the entire hinged bottom of the lift to drop down. The hog remains suspended and motionless between the two tapered sides of the apparatus without getting bruised. While the hog is in that position, the stunner can be applied without difficulty.

After the animal is stunned, a lever at the side of the lift is moved, causing the main body of the lift to tilt over, discharging the hog on the floor. After the animal has been ejected, the lift returns automatically to the upright position. At the same time, the bottom of the lift is automatically reset and the lift is ready for the next hog to enter. The lift is available for either left hand or

right hand tilting, as desired. With a single lift, from 150 to 300 hogs can be stunned per hour, depending on the experience of the operators.

The price of the lift without the ramp is \$990. With the ramp, the price is \$1,150.

MODERATOR LINGLE: At this time, we have Robert W. Nissen of Nissen & Son Packing Co., Webster City, Ia., which has been using the Remington Arms stunning instrument.

ROBERT W. NISSEN: Had I known 30 days ago when I bought this stunner that I would be up here, I might have postponed it until after the convention. We have a rather small operation of from 50 to 60 cattle a day so I doubt if I can give you much that would pertain a lot of your slaughtering plants. However, we have been using the Remington Arms stunning instrument for one month now, and we are very satisfied with the operation of it.

One of the first things we noted was the free bleeding of the animals. We did not buy the device without some



BANG! from Cash-X captive bolt pistol punctuates demonstration of the device by Walter B. McCray, sales manager of Koch Supplies, during the meeting on humane slaughter instruments.

demonstration of it, and the gentleman that was demonstrating it was happy to stay as long as we asked him to. I think he was there four or five hours. The kill floor foreman mentioned to me at that time how freely the cattle seemed to bleed.

Another thing I like is the relief from mental and physical fatigue that use of the instrument gives the knocker. We, of course, have been using a hammer for a good long time. The hammer is the only thing we really knew about until this Remington Arms stunning instrument was demonstrated. I would certainly suggest to anybody interested in it to contact the supplier and ask him for a demonstration.

In the 30 days we have used the instrument, no maintenance has been required. The man who uses it has to keep feeding shells into it, of course. The average number of misses so far has been quite low. I think this depends entirely upon experience.

MODERATOR LINGLE: W. G. Davis of the Remington Arms Co. of Bridgeport, Conn., now will give us some factual information about the Remington stunner.

W. G. DAVIS: It is certainly kind of you gentlemen to permit me time to discuss a new device now being produced by the Remington Arms Co., a tool we hope will soon become an everyday useful fixture in the nation's packinghouses. I refer to the Remington humane stunner which, after a year and a half of development and the expenditure of hundreds of thousands of dollars, promises

to lend a modern touch to the age-old and frequently inefficient method of cattle knocking.

From the time Remington research scientists first conceived the humane stunner until the present, our company has received outstanding cooperation and assistance from members of the meat packing industry. Our engineers have been permitted to run field tests and other studies on the floors of packinghouses, and valuable data on production methods have been placed at our disposal.

In turn, Remington has consistently demonstrated to all concerned that it is sincerely seeking to fill a need that meat packers have felt for many years. It is the consensus of our own people and representative packers that the current version of the humane stunner has done much to fill that need.

The Remington humane stunner's principle and operation are simple. Actuated by a special .22 caliber blank cartridge known as a power load, a piston with a knob at the end is propelled about 4 in. forward with a force of more than 320 foot pounds. When applied to cattle, the device renders the animals immediately unconscious.

To accomplish this, as you know, the knocking hammer is in widespread use but not without attendant disadvantages. A knocker wielding a hammer is efficient at the start of the work day, but as work progresses he tires. In some cases, he finds it necessary to strike cattle with many blows, a condition exasperating and inefficient. Studies and field tests have demonstrated that, if used properly, the Remington humane stunner can stun cattle with single blows and with relatively little tiring on the part of the knocker.

Specific advantages of the Remington humane stunner to the meat packer are:

- 1) It does not damage the pate.
- 2) It does not fracture the skull.
- 3) It permits the sale of brains.
- 4) It enables the header to function more safely since there are no fragments of bone to injure his hand or dull the knife.
- 5) It reduces greatly the physical labor of the knocker.
- 6) There is little chance of the knocker falling into the knocking box.
- 7) Its maintenance is simple, requiring but a few minutes cleanup after the day's run.

Two major safety features are inherent in the safety lever and the bolt of this stunner. Until the safety lever is pressed, the trigger is not aligned with the safety, and the stunner cannot be fired. A natural pressure by the knocker, when he is ready, brings the trigger in line with the firing mechanism. The bolt will not permit the re-

lease of the firing pin until the bolt is in full closed position. Therefore, even with a live power load in the chamber, the stunner cannot be accidentally fired.

To operate the stunner, the user places a power load in the chamber, closes the bolt, pushes the safety lever and gently taps the trigger to fire it. The piston rod projects the knob about 4 in. forward. This action can stun any size or weight of cattle if the blow is properly placed.

To reload the stunner, the bolt is retracted and the spent power load is ejected. The knob is then pushed back into firing position, ejecting remaining gases, and the stunner is ready for another power load.

The stunner is available through our industrial distributors in all sections of the country. The instrument has been on the market approximately 12 weeks. In that time, approximately 1,000,000 cattle have been successfully stunned.

MODERATOR LINGLE: We have another stunner called the Schmidt stunner. I don't think we have a packer who has used it, but we have Erwin Buckman of

GERMAN captive bolt stunner for all types of livestock is held aloft by spokesman for the C. Schmidt Co. during the discussion of new slaughter instruments.



The C. Schmidt Co., Cincinnati, to demonstrate his weapon.

ERWIN BUCKMAN: The Schmidt stunner is the only stunning gun that sells for less than \$50. This is an unusually fine imported gun that is being introduced in this country by The C. Schmidt Co. of Cincinnati. It is the captive bolt-type intended for use in small to medium sized plants.

The construction is simple, with few moving parts, but the stunner is strong and safe to use. The design softens the recoil. The stunning action is positive and quick. The gun is cocked by simply pulling the trigger spring and fired by squeezing the trigger. Four types of ammunition are available: one for hogs, one for calves, one for steers and one for bulls.

Last summer I was in the plant in Germany where this gun is manufactured. The fine workmanship and excellent material were quite impressive. My visit convinced me that there should be a market in the United States for this gun.

MODERATOR LINGLE: I will describe briefly our experience with the captive bolt pistol, sometimes called the Cash-X pistol. We have been using it for about three years on cattle only.

We like it for the following reasons. We think we have fewer dark cutters. I don't know that you can prove anything about dark cutters. The hardest experiment in the world to run is to get some sort of a percentage figure on dark cutters, but we firmly believe we get fewer dark cutters.

We think one reason we get fewer is because we have better bleeding. Our cattle die relaxed. Many times when



AMONG THOSE in the front row seats at the session on humane slaughter were MIB's Dr. A. R. Miller and John Krauss.

they are stunned with a hammer, they die "stiff," as the butchers call it. The cattle are harder to skin when they die that way. If they are relaxed, they are easier to skin, and we get better workmanship.

We think those two reasons are very important, especially when you are considering Choice and Prime cattle, because a dark cutter really hurts, and good workmanship helps, too.

We like the pistol because it is easy to teach people how to use it. We can teach an ordinary boy to use the captive bolt pistol in a couple of days, less than that if he is apt. Before, when we used a hammer, we had difficulty getting a man strong enough and with the proper coordination to use it. It was a hard job to teach. It was a hard job to keep men on.

We like the pistol, too, because very rarely do the cattle get up after the knocking. I think in the time we have used it, we have had one cow get up after being shot with the gun.

The gun does have some disadvantages. It costs around 2½¢ a cartridge to fire it. We lose the brain because the bolt penetrates the brain and we cannot save it. The brain is not edible. Particles of the skull are pushed into the brain. We don't have a very good chance to sell our brains so we don't think we lose too much—perhaps 7½¢ a head. We think the sacrifice is very small for the gains.

The gun is rather difficult to keep in repair if you have a man using it who is not careful. We had a fellow using it a year ago who didn't take care of it, and we seemed to be constantly repairing the gun. We have a boy on it now who is very careful, and we have very few repairs.

That, briefly, is our experience with the captive bolt pistol. Next, we have Walter B. McCray of Koch Supplies, Inc., Kansas City, Mo., the distributor of the pistol, who will talk to you about it.

WALTER B. McCRAY: The Cash-X pistol, like others, is essentially a captive bolt pistol, meaning that the bolt which does the stunning does not go out any farther than the muzzle piece. It actually travels about 1¼ in. The pistol is loaded in a conventional manner with the bolt retracted, and it is then fired.

The bolt travels forward under the impetus of the charge, which comes from a small blank cartridge. Those cartridges cost approximately 2½¢ each.

There is a gas port about 1 in. ahead of the breach. When the bolt passes that gas port, the gas escapes through the port and the bolt continues forward by inertia, at the same time compressing air in the portion of the barrel forward of the piston. When this compressed air overcomes the inertia of the bolt, it stops; then the compressed air retracts the bolt partially from the head.

Many of you learned about the Colt .45 or the Thompson submachine gun during the late unpleasantness in which we engaged. You learned that they have a muzzle velocity of 800 ft. per sec. The muzzle velocity of the Cash-X pistol is essentially 800 ft. per sec.

Remember, the bolt travels only 1¼ in. Those of you who are quick with arithmetic will find the time is 1/10,000 of a second. That is instantaneous stunning. The animal never knows what hit it.

E. Y. Lingle said they had had one failure in approximately three years of use. The Oscar Mayer & Co. people at Madison have been extremely cooperative over a period of seven or eight years in keeping rather accurate records for the thousands of animals the plant stuns. Oscar Mayer buys 1,004 rounds of ammunition for every 1,000 animals; in .4 per cent of the cases it is necessary to use a second blow. How different that is from the use of the hammer.

We have had experience in the use of this pistol. It is with very slight modifications essentially the same as when it was perfected and developed 31 years ago.

MODERATOR LINGLE: I have been asked to discuss the flood light system developed in connection with the Cash-X pistol. I might say I didn't originate it. Our foreman did. He knew that when you drive down the road at night and your headlights pick up an animal on the road, the animal usually will freeze in its tracks when it sees the lights. It seems to be instinctive for the animal to stand still.

Our foreman conceived the idea of putting flood lights directly in the ends of the pen at eye level with the cattle. After the cattle are driven into the pen, the lights are flicked on. It takes a few moments for their eyes to concentrate on the light so they are blinded and stand relatively quiet, making it easy to use the pistol.

We have a patent on that method, and I am sorry we got one because it cost us \$500 to get the patent. I don't think we are ever going to get our \$500 back. We are charging a very nominal amount for the use of the method. It is our desire that it be made available to everybody. The blueprints and everything are furnished for \$25.

McCRAY: You can get a full set of blueprints showing the suggested method of making the knocking pen, the installation of the lights and the type of lights that should be procured. All those things are listed, and for that very nominal sum you can have the complete method which E. Y. Lingle has developed in his plant.

MODERATOR LINGLE: Are there any other questions?

DONALD MOYER, C. D. Moyer Co., Silverdale, Pa.: Possibly we have something that will be advantageous to some of the other members of the industry. We have been using the captive bolt.

We shoot our animals in the back of the head at the base of the spinal cord. That is advantageous in that there is no loss of brain. No hair is driven in the brain. The animal doesn't see the pistol and you don't need lights.

MODERATOR LINGLE: Are there any other questions? This is a very controversial problem, and you are going to be hearing a lot about it. You may be forced to do something about it.

If there are no other questions, I am going to turn the meeting back to John Killick.

EXECUTIVE SECRETARY KILICK: I think this has been a very worthwhile discussion. I believe that it has stimulated an interest in these matters. When we thought of this session, we were afraid there might be an inference we were trying to push these instruments. We are not doing that. I also thought there might be the inference that we were favoring the legislation on Capital Hill at the present time, and we are not doing that.

We do think there is a great deal of interest in these instruments. We know men like these on the panel have found them practical. We also know of other instances where the instruments have not proved practical. I won't go into detail on that but there have been several instances lately where, not because of any fault of the instrument but because of other conditions, packers found they could not use certain ones successfully. There are a lot of personal considerations that you have to look into when you go into this.

We felt it our duty as an association to make our members acquainted with these instruments and to let them use their own judgment as to their usability and desirability in their own operations.

Packaging Session

Suppliers and Packers Discuss New and Unusual Packaging Developments

E. W. OLSZEWSKI, moderator of the session on packaging, displays an interesting tube package for pork sausage patties which is being employed by St. Louis Independent Packing Co.



THE packaging panel and floor discussion meeting, moderated by Edward W. Olszewski, American Packing Co., St. Louis, was about equally divided in activity between members of the audience, suppliers and the panelists.

Members of the panel included J. B. Naumer, Du Quoin Packing Co., DuQuoin, Ill.; John Krauss, John Krauss, Inc., Jamaica, N. Y., and John Vaughn, Oklahoma Packing Co., Oklahoma City, Okla. The Red Lacquer room was filled with NIMPA members and their personnel who came to listen and comment on all aspects of materials and equipment for packaging luncheon meats.

Moderator Olszewski told the audience that they were free to speak their minds, and that the association did not endorse any product or package which had been supplied for discussion purposes. Suppliers were invited to attend and give technical and other information about their respective equipment, wraps and packages. Their participation proved enlightening to many packers who are not so much concerned with whether to package, but how to achieve good shelf life, maintain eye-appeal and keep costs at a minimum. Package samples were passed through the audience and also displayed from the rostrum.

MODERATOR OLSZEWSKI: I know that in this room there is a wealth of information that could be highly useful to each of us in our business, and it is our purpose today to make this meeting a sort of Board of Trade for the exchange of information. I sincerely ask all of you to get out and do a little "buying" and "selling" on this floor. Remember, this is your meeting.

I have here some samples of bacon packages. The material which is being demonstrated here is the Tee-Pak

Snug-Pak bacon package. Fred Poole of Tee-Pak is here and I will call on him at this time for a few remarks.

FRED POOLE, Tee-Pak, Inc.: This material is being applied on a number of automatic packaging machines now and can also be used for hand-wrapping operations. Not all packaging machines can handle our material. There are three machines which are currently in use now at some six different meat plants. Two of them are located in Chicago. Snug-Pak is the name of the material. The film does not absorb moisture and, consequently, will stay tight indefinitely. It will not relax as other films will. If there are any questions from the floor, I will be happy to answer them. I might say that the cost for the mechanism is about \$400 for the unit, and it may be used in conjunction with your automatic packaging machines.

MODERATOR OLSZEWSKI: It is my understanding, Mr. Poole, that this is not for a hand-wrapping operation?

MR. POOLE: It can be used in a hand-wrapping operation. The cost of the accessories is approximately \$60.

MODERATOR OLSZEWSKI: Are there any other questions about Snug-Pak?

I have some samples that were submitted by the Marathon Corporation. I will pass these samples out for your inspection.

The major topic of our meeting concerns new packages, and I asked each supplier if he could give us samples of the newest thing out, and this sample happens to be Marathon's newest.

Some of you might have seen the demonstration on the exhibit floor of how this is packed. This is a very interesting package, and I have a number of samples which I can pass out.

PANELIST JOHN VAUGHN, Oklahoma Packing Co.: What would be the advantage of that package?

MODERATOR OLSZEWSKI: We have a man from the Marathon Corporation who should be able to answer that question.

TOM TOMSON, Marathon Corp.: You can probably apply a lot of adjectives to that package. When I first saw it I said it wouldn't sell. That only shows how wrong people can be when they try to decide without testing what will and what will not please Mrs. Housewife.

I think one thing that I might say is the strong feature of that package is the visibility. That is, the visibility plus strong brand identification and tamper-proofness.

It has all the advantages of the hermetically-sealed vacuum package; you can put your brand on it, and it makes a beautiful display in the case.

I can truthfully say this has been a highly successful



BUSINESS is beginning to boil around the speakers' table during Monday afternoon session on humane slaughter methods.

package beyond our fondest dreams, and I think in this particular area here you will see many evidences of its success. There are, I think, five, six, or even seven in this particular market currently using that type of package for sliced luncheon meat.

VAUGHN: Is it a hand-wrapped operation?

TOMSON: Machine wrapped. It is a machine which also was developed for use by the Great Lakes Company. It is a very simple machine and operates at speeds of 55 packages per minute. It is hand-fed by girls who place the luncheon meat product into the folder and makes two slight folds. Two girls can feed it at its full capacity. They won't do it the first day, but in a short time they can keep that machine in full operation.

Incidentally, for those of you who might be interested in getting any operational details, we have a film which was taken at E. Kahn & Sons plant showing the entire operation. It is very simple, and it lends itself to either large or small plant operations.

VAUGHN: Along this line, you say it is very successful around this area?

TOMSON: I wouldn't limit it to this area.

VAUGHN: In what other areas has it been tried?

TOMSON: Ohio, Georgia, Indiana and Michigan.

VAUGHN: As to the color, does it lose its color after being in the case?

TOMSON: You are going to have some fading. However, you have no fading except that which is in general over the entire area.

VAUGHN: If I were putting out that package and losing the color, I would have more pickups. Isn't that true?

TOMSON: I would approach it another way. I think one of the west coast meat packers had a very good philosophy when it came to packaging. Protection is fine and there are many packages on the market that do a fine job of protecting, but if they don't sell, your protection will kill you just as well as it will make you.

PRESIDENT FINKBEINER: That is a vacuum package all the way through, isn't it?



PACKING UP to go home. This supplier is working at a fast pace.

of them have been highly successful without the vacuum package. The one you saw probably had a Saran inner wrap. They are using an extra long piece of cellophane over the Saran inner wrap to hold the whole thing in the folder.

PANELIST J. B. NAUMER: Is the Great Lakes machine on display here?

TOMSON: Yes.

MODERATOR OLSZEWSKI: One of the things I noticed about this package is that it would solve one particular problem for me, and that is, when it comes to a matter of visibility or package design and printing design on the package itself, one is pulling against the other. The more you print on the package, the less of the product you are showing, and the more product you show the less printing you can get on the package.

There are many things you want to put on the package. You run into that whenever you try to design a new one. There is just not enough space, and to me this particular package seems to help by giving much visibility plus a great amount of printing and identification area.

That brings up a good question. There appears to be at the present time a trend developing in a change from a package affording great visibility to one that does not show much of the product. Consider this pork sausage package which has no visibility. Also, I see other packages where there is no visibility of the product itself, and I have been wondering if we are entering a stage when we can put out a package which does not show the product at all.

Are we coming into an era when this can be done? That would certainly solve some of the fading problems, and solve some of the other problems that we have in packaging.

Is there anyone who has had any success with a package which gives relatively little visibility of the product? Is there anyone who puts out that kind of a product who could give us any comment?

VAUGHN: May I comment on this subject? I am not in the pre-sliced lunch meat myself, and I am like a lot of the rest of you. I know that I will probably get into it, but I would like to do it the right way.

One reason that I have stayed out of it is that in Oklahoma everybody comes out with a vacuum pack, and I am speaking about the people that have the volume in the sliced lunch meat. They have run that for about two years now, and they have all thrown away the vacuum pack machines. Now they are coming out with an over-wrap. Where does that leave me? I don't understand anything about it. All I am trying to do is find out just why they went away from the vacuum package. Are



TOMMY TOMSON of Marathon Corporation, and Fred Pool of Tee-Pak, Inc., describe some features of new packages produced by their companies during the session on Monday at which the "suppliers tell all."

TOMSON: Yes, it is a vacuum. There is a very successful operation right in this city which is not vacuum packaged. They like the package so well they are going to all kinds of trouble in order to do it with just a film over-wrap, and believe me, the problems are very serious. However, they have stuck with it, and although we will not recommend it ourselves, they have been successful with it.

MODERATOR OLSZEWSKI: I have a question. I saw a package recently, and it was not vacuum packed. It was a sliced corned beef package, the size of a bacon package. I am not sure if it was this particular package. Is it being used for that type of application?

TOMSON: Those are not vacuum packaged, and some

there any suppliers who can help us with these problems.

PANELIST JOHN KRAUSS: If you want to find the time you think is the best to start in, you will be out of the packaging business for the next five years. If you want to do pre-packaging, you had better get into it and find out the difficulties and change them.

MODERATOR OLSZEWSKI: I think we can get some healthy comments on that. I would like to call on both the people that represent the vacuum package portion of the industry and someone that represents an over-wrap type package. Do we have someone here from one of the companies, one of the suppliers who represents an over-wrap type of package?

GEORGE ARMSTRONG, Miller & Miller, Inc.: The biggest thing that is needed in the sale of lunch meat is not to worry about a vacuum package or Saran, or how long it will keep, but how soon can we sell it, and what can we do to sell the product? We have stopped worrying about the shelf life and have started designing labels that have appetite appeal on them, so you can sell the product and not have to worry about how much you may have to pick up.

MODERATOR OLSZEWSKI: In connection with these labels, these look real expensive to me. Can you tell us about the cost of these and the cost to the packers, and how they can be used?

ARMSTRONG: Well, the average cost of putting out a package in Saran with this label varies a great deal. If a man starts with a hand operation or a semi-automatic hand line he may find that his cost, his realistic cost, is going to run him 5 to 6¢ a lb. to put out an over-wrap package.

MODERATOR OLSZEWSKI: What I meant is, can these be syndicated to the packers in their areas, so they can use these labels without paying for all the expense of preparation?

ARMSTRONG: That is right. We have this series. In fact, we have around 250 available to a packer, and on these we can even vary the color so you have a color to suit your product. In other words, you may have bologna that is pink, and the packer in the next state has a bologna that isn't quite as pink. We can vary the colors of these labels to match your own particular products.

MODERATOR OLSZEWSKI: Thank you Mr. Armstrong. May I hear from another supplier?

ROBERT SKADOW, Great Lakes Stamp & Manufacturing Co.: It is a little difficult to start out with the best program for your own company at the very beginning. There is a wide variety of equipment available. The equipment is available, and it will handle a variety of operations. I think that you have to get in and learn to swim, and the suppliers can help you get started.

MODERATOR OLSZEWSKI: With respect to different films, we went into this question in our midwestern meeting in Kansas City, and we pretty much determined that there is a place for vacuum packaging and a place for over-wrapping. It really depends on the type of distribution you have. It seems obvious that a store in doing its own packaging would not need a vacuum package. An over-wrap might suffice.

PANELIST KRAUSS: I feel that the most important thing in packaging is that you should make some money on it. We package pork sausage, and we did long before we had any costs figured, and we always thought we made a lot of money on it. When we finally got the costs established, we were amazed, because we found quite a loss. Now, we do it at a profit, because we made changes in our packaging and handling. That is very important in all kinds of packaging so that you know your



NEW INTERCHANGEABLE vignette labels of Miller & Miller, as used by Burns & Co. and Armour and Company, are designed for appetite appeal and to move packaged product out of retail stores so fast that "shelf life" factor is reduced in importance.

costs. You can get into very beautiful packages and lose your pants.

MODERATOR OLSZEWSKI: I am fast becoming a believer in getting some help on package design. If you try to do it yourself, it takes such a long time to find out what is available, how to develop it, and make it look attractive, that by the time you get it all worked out, you are running about six to eight months behind your competitor. The use of the firms which are specializing in this type of package development—and I mean independent firms rather than the suppliers themselves—can help you out. I don't have any experience myself, but I have seen more and more packers use firms of that sort, and I have seen them do a real good job.

One of the real interesting things to me—ageing beef in film—has been developed by the Cryovac Co. Apparently it is coming along very well. It does a job for the people who age beef and who have a problem of protection.

I have a sample of the film. There is nothing outstanding about its appearance. It is just a plain bag, but in addition to this, there has been developed a method of ageing beef in a bag, bone-in. This can be done by the use of a second material which covers the bone and sticks to it; then the bag goes over the cut and wrap and a vacuum is drawn. The material that covers the bone is kind of a sticky fabric and it will prevent penetration of the film by the bone. I will pass this out for your inspection. Do we have someone here from the Cryovac organization?

JOHN COOK, Cryovac Co.: The principle of this cloth, is that as the bone pushes against the fabric, and the plastic in the cloth softens, it cushions the bone and protects the bag.

MODERATOR OLSZEWSKI: Mr. Cook, that is the bone-in application. Now, will you tell us what the process does in the ageing of meat. What can be expected of this package?

COOK: Actually, this package does nothing in the ageing of the meat; in the actual ageing operation. However, we do not have a trim loss from bacteria, oxidation, or from mold growth, and this permits you to have from two to four weeks' storage-life without any of these losses. Actually, it is a profit factor. It is a matter of saving money

by cutting down waste while you are ageing your beef.

MODERATOR OLSZEWSKI: Do you think the drawing of a vacuum has any effect on the ageing itself? Does it slow it down, or do anything to it?

COOK: The drawing of the package eliminates the oxygen from the surface of the meat, and it prevents oxygen from getting to the bacteria. This doesn't affect ageing but stops bacterial growth.

MODERATOR OLSZEWSKI: Do we have any questions on the use of this Cryovac process? Many of us are not engaged in that portion of our industry in which we are ageing meat, but some of us have divisions of our companies that do engage in this.

VAUGHN: How much per pound of meat wrapped does this packaging cost?

COOK: The bone sealing material would average something like 2c per lb.

VAUGHN: What about the other package?

COOK: The other package would depend on the particular cut.

VAUGHN: Just approximately? Just overall?

COOK: On an overall basis it would probably cost you less than 1c a lb.

VAUGHN: For the entire package?

COOK: Yes, for the entire package.

MODERATOR OLSZEWSKI: Are there any other questions? Any other comments?

PANELIST NAUMER: We are getting prepared to experiment with the Cryovac wrap on hams. I would like to ask the audience if anyone here has had experience with this. I would like to know particularly about the market requirements for the pricing of the butt and shank, or is ham sold as one unit?

MODERATOR OLSZEWSKI: I know of one case where the halves were sold together and not separately, and it was just priced as a ham.

NAUMER: Sold as a ham, a unit?

MODERATOR OLSZEWSKI: One price, yes. I hope they do that and nothing else or it would be a problem for everybody in my opinion. Maybe there is something different going on already. I am not too familiar with that. I heard somebody say that if you do a good job of packaging the ham you can't tell the butt half from the shank half.

MR. MERCING, Little Rock Packing Co.: We have been packaging half hams for a year and a half, and have been rather successful. We package them in two different sized boxes, although we sell them as a unit and don't separate them.

One box will hold two entire hams, and another one

will hold five entire hams. It has very good acceptance, and we have had no difficulty with respect to people wanting us to sell one half or the other half. We sell them as a unit.

MODERATOR OLSZEWSKI: Mr. Krauss would like to make a few comments.

KRAUSS: We have been vacuum packaging, and we never changed it. We are very successful with it in New York. In the back of the room there are some of the Standard Casing Co. representatives. Perhaps they can discuss some of the new equipment that their firm now is manufacturing.

AL PETERS, Standard Casing Co., Inc.: There are several things that should be said for both sides of this story. I appreciate the nice things that have been said about us. However, I think it should be in everyone's mind if they are about to make any decisions, that there is no packaging material that looks quite as good as the meat itself.

Another thing you should bear in mind, if you are going to make a decision to slice and package, is that when you are about to go into an over-wrap operation, you are giving your supermarket or retailer a package which he

JOHN O. VAUGHN,
Oklahoma Packing Co.,
propounds a question
on the best way for a com-
pany to get into the
packaging of sausage
and other products.



can duplicate. Most of the over-wrap operations I see, even in fairly sizable plants, are still being done by hand.

Many of the retailers are doing it by hand. Don't think many of us here have the idea that the retail store is the proper place for sausage and luncheon meat to be packaged. The packer should do it and get brand identification on the package.

MODERATOR OLSZEWSKI: Can you handle a pretty I am going to call on one more man for a few comments. Earlier today I was talking to Warren Tauber of Visking about a new method of packaging hams. I would like to have him tell us something about that. Mr. Tauber, could you give us some information on the manner in which this technique works?

WARREN TAUBER: Visking Company: This film is applied by a stretch principle. The machine itself is nothing more than a stretching device, and it is a question of getting proper sizing and shape of packages. You can prepare your ham and package the chunk in 2-, 3- or 4-lb. units in this film.

The stretched film then shrinks to the product to give a very tight cling.

MODERATOR OLSZEWSKI: Can you handle a pretty good sized piece of meat?

TAUBER: Yes. One other thing I would like to say is that the tight-wrap machine will handle packages from 6 or 8 oz. in size up to and including a 20-lb. ham. You have a lot of packaging versatility with this particular piece of equipment.



IS NEW EQUIPMENT, politics or maybe a good story the subject at this informal conclave in the convention exhibition hall?

Employees—How We Keep 'Em

To Develop Safety Attitude in Workers, Management Must Have It, Too



Says Louisville Provision Company's ELMER KONCEL

IHAVE given each of you a simple diagram showing the causes of accidents and the corrective that is necessary. The heading of this diagram is the topic of my talk, "Proper Attitudes Prevent Accidents."

What does the word "safety" mean to you? Does it reflect a "fear" for the well-being of your family and you? Or does it reflect an attitude of "why worry?" "I'll never get hurt . . . the other fellow most probably will. . . . I'm careful . . . He isn't . . ."

... Be careful ... He isn't ... What's your attitude toward safety? Attitude is the most complex and most unpredictable part of human nature, and it's the attitude—good or bad—that spells success or failure in practically everything we do or try to accomplish.

We seek to do three things: Inform, persuade, and entertain. In safety work we want to inform and persuade.

There are eight things basic to man: Sex, gregariousness, security, health, preservation of life, hunger, fear

and pugnacity. In your safety promotion and training work you must hit on one or more of these eight traits in order to get a response.

The reason you may not get a positive response is because of your employee's attitude toward safety. Your employee has a readiness to respond, but we don't know how he will respond.

We continually follow up with our knife employees to see that they keep sharp edges on their knives. One of our employees recently responded to this instruction in a rather peculiar way. His knife became dull while trimming beef, so rather than walk around the boning table for his hand stone, he crawled underneath the table with his knife in one hand and his meat hook in the other hand. In the process of crawling underneath the table he jabbed his knife into the shin of a boner standing and working on the other side of the table. Stupid, gross carelessness, you say. Sure, I agree with you. This worker got some instruction in on-the-job safety from me immediately after the accident. To me, the most important aspect of the situation was that we—top management and the supervisory staff—had failed to develop a safe attitude in this man and his fellow-employees in their daily work habits.

UNSAFE ACTS CURTAILED BY INSTRUCTION: You can't foretell the attitude of your employees. The unsafe acts and the unsafe attitudes of a worker can never be eliminated completely, but they can be minimized by instruction, plus promotion, plus discipline, and plus proper personnel placement.

In addition, you can foster a "safe" attitude in the minds of your employees by having periodic plant inspections and in going over the plant continually to eliminate all possible physical hazards and potential causes of accidents. How you inspect, who the inspectors are, and when you inspect, depends upon your individual case.

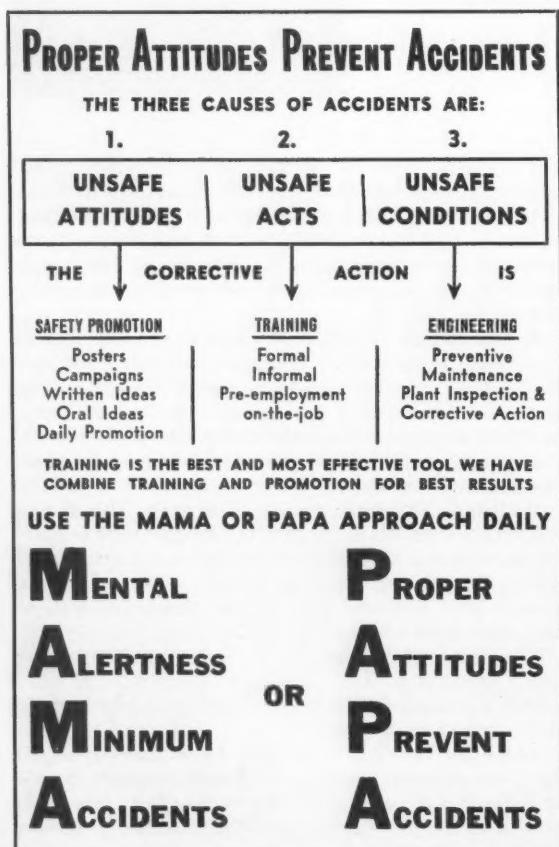
Pardon me, I am ahead of my story. I came here with a predetermined attitude, and that was that you, as top management, are extremely safety-conscious and accident-prevention minded.

Are you? Do a little honest soul-searching. You say, "Sure, I am." But really stop, and as I said, do some soul-searching and see if your attitude is: "Accidents will happen; it's tough that Joe, the hog header, cut his arm severely yesterday." The reason I mention this negative attitude is that I feel that too many of us still retain this attitude.

It's your own attitude and that of top management, that is going to have the greatest positive effect or negative effect, if you want it that way, on any safety program you have or desire to start.

You don't need a safety director. You don't need a safety engineer. You don't need fancy or expensive frills in order to start and maintain an effective safety program.

What is needed for an effective accident-prevention



program is the proper attitude by you, top management, and then the development of a simple but effective plan to see that your own safety-conscious attitude pervades and rubs off on everyone of your supervisors and employees.

Who runs the program? In a small company it can be run by you or by the boss, along with his other managerial duties. In a larger plant, the plant manager or the superintendent can do the job. In a multiplant setup or in a large plant, the personnel director or some staff member can carry out the program as an additional part-time responsibility.

You don't need a man with engineering background. You don't need a man with production background—but a production background will help.

You need a man who believes in an accident-prevention program and believes in the fundamental concept that most accidents can be prevented. Your man should be an optimist and a very enthusiastic person; one whose enthusiasm rubs off on your entire organization. Your man should have the ability to guide supervisory meetings. He should be a person who has earned the respect of your entire organization, so that he will get full cooperation in return for his efforts. And the biggest quality of all is, he should be a person who doesn't know what the word "discouragement" means.

Safe attitudes are not going to be developed over night and accidents somehow have a habit of popping up when things seem to be going along smoothly.

To me, the title of safety director is ill-advised. The person in charge of your program doesn't need a title. He merely needs to be designated as the person in charge of your accident-prevention program.

How do you carry out an accident-prevention program? You can carry out your program formally or informally. I prefer the informal method.

The first step in your program is to get your supervisors or lead men 100 per cent safety-conscious and accident-prevention minded, and develop in them an earnest desire to prevent accidents.

EXPLAIN SAFETY PROGRAM AND OBJECTIVES: In the formal approach, the person in charge of the accident-prevention program can start the ball rolling by calling a meeting of all supervisors and explain in detail the safety program and its objectives. He may also announce the details of a safety-award campaign and contest to create and maintain interest. For example, if you pay a supervisor a bonus at the end of the year you may desire to tie in accident reduction with the size of the bonus payment.

All supervisors will have to be handled equally in a plan of this kind. The person in charge also may ap-

point a formal accident or safety committee to inspect the plant periodically for hazards and their elimination or correction. He may also delegate this same committee to investigate each lost-time accident and come up with recommendations. He can install a supervisor's accident report, in which the supervisor must write out a description of the accident, why it occurred, and what steps he is taking to prevent a similar accident. These reports can be reviewed at the regular supervisory meeting. He can show safety films at some of the meetings. He may be able to bring in the safety engineer of the insurance company to do some safety-training work at some of the meetings. This procedure is what I mean by the formal approach in safety work.

I use the informal approach, and in my approach I try to reach and condition the attitudes of all three basic elements involved in my accident-prevention program: the attitude of the supervisor, the attitude of the employee, and the attitude of our union officials.

We are insured under an excess accident plan, whereby we can save up to 75 per cent of our premium each year (our insurance takes 25 per cent for its services and also insures us beyond the limits of our yearly premium in case of a common disaster). Although I am vitally interested in avoiding injury and suffering to our employees, I also make no bones about it to everyone concerned that I am interested in saving as much money as I possibly can in my accident-prevention work. If I get an injury that looks as if it may have serious after-effects, I throw all the money necessary into treating the case at the outset, in order to avoid much heavier costs later on. But the point I want to make is, that I am very agreeable to spending money if I can save money by doing so.

My workmen's compensation premium constitutes about one-fourth of my accident costs. My indirect costs are at least four times larger than this direct cost. By indirect costs I mean the lost time of the injured employee, lost time of other employees near the accident, damage to equipment and to the product, the emotional upset, and the resulting loss of production by everyone directly or indirectly involved. Many companies now require foremen to file an accident report even when no one is hurt.

This type of accident report is a report of injury and

SECRETARY JOHN KILICK opens the meeting on personnel problems. He is flanked (left) by Richmond Unwin, Reliable Packing Co.; James A. Burdette, Arbogast & Bastian, and arbitrator G. Allen Dash, Jr., and (right) by D. J. Twedell, Houston Packing Co.; John Faust, Heil Packing Co.; Elmer Koncel, Louisville Provision Co., and John Mohay, NIMPA's director of industrial relations.



damage to the equipment, and this can be very costly each year. This past week a sausage department employee didn't follow instructions, and the result was a breakdown of a grinder that cost \$500 to repair.

PRODUCE ACCIDENT-PREVENTION ATTITUDE:

My main objective is to produce an attitude that will result in reducing accident frequency. I can't control the severity of any accident. Neither can you. For example, an employee may fall down the stairs and suffer a few bumps and bruises. Another employee may fall down these same stairs and be hospitalized with a ruptured disc—a serious and costly accident. The fewer the accidents, the lighter the severity.

We started our accident-prevention program by calling our foremen into a meeting with our insurance company safety engineer and outlining our objectives. From

Each new employee gets a short safety talk from me. I do all of the hiring, and each new employee gets a short bulletin outlining the necessity for reporting all accidents, no matter how slight, to his foreman. The value of speed in handling the treatment of an injury is stressed. I give him the name of our company doctor and his telephone number so the employee can call him after hours if he has been injured and feels that he needs some help or advice.

RIGID PRE-EMPLOYMENT EXAM GIVEN EMPLOYEES:

Each new employee undergoes a rigid pre-employment physical examination. This, I heartily recommend. We do not have a doctor on our staff. The doctor who handles our injury cases does our pre-employment physicals at a reasonable fee of \$4. When I came with our company I underwent this physical exam



V-SHAPED SEATING arrangement at Sunday meeting of southwestern division symbolizes vitality of group and victory it hopes to achieve in membership drive throughout states of Arkansas, Oklahoma, Texas and New Mexico. Outlining plans is divisional vice president John O. Vaughn

(standing left), Oklahoma Packing Co., Oklahoma City, while NIMPA president Chris E. Finkbeiner promises to do his best to get new members in Arkansas. Next regional meeting of the division will be on Friday and Saturday, February 14-15, at the Statler-Hilton Hotel, Dallas.

then on, we have used the informal approach in our efforts to develop "safe" attitudes.

Our first step—and I recommend this step strongly—was to inform our supervisors and the union steward that horseplay on the job was not going to be tolerated. We carefully explained our position to our union officials, and then followed this with a letter to all employees (distributed with the paycheck) telling them that we were going to do everything humanly possible to make our plants the safest ones in which to work. We requested their cooperation, and threw the discipline factor at them by stating that we had had a few cases of horseplay on the job and that in the future this offense would be met by an immediate discharge. This bulletin was directed at those few workers who did not have the proper attitude.

A few days later one of these individuals threw a piece of fat at another employee and knocked his glasses off his face. The discharge of the employee not only was immediate, but I went out to the department, escorted the employee to his locker, made him clean it out immediately and personally escorted him out of the plant. I made a "federal case" out of it. I informed the plant steward and the union officials immediately of my action and asked them to stress "no horseplay" at their next union meeting. This they did. We have never had to fire another employee for horseplay.

to test its thoroughness—and the exam is really thorough.

Our doctor is on call day or night. If an employee is injured so severely that our nurse cannot handle the case, I (and I'm usually available) will take the injured employee to our doctor's office. Or, if it is extremely serious, to our nearby hospital, where immediate attention is given to the employee and then our doctor is notified by the hospital to come there immediately.

I follow the practice of taking our injured employees to the doctor's office or to the hospital for two reasons: 1) To see that the employee gets immediate attention and the best of attention possible, and to sell the skill and ability of our doctor to the employee while enroute to bridge the gap that so often exists between an injured employee and an industrial doctor, and 2) To find out how the accident happened. I also can get in some on-the-spot accident-prevention training in most cases.

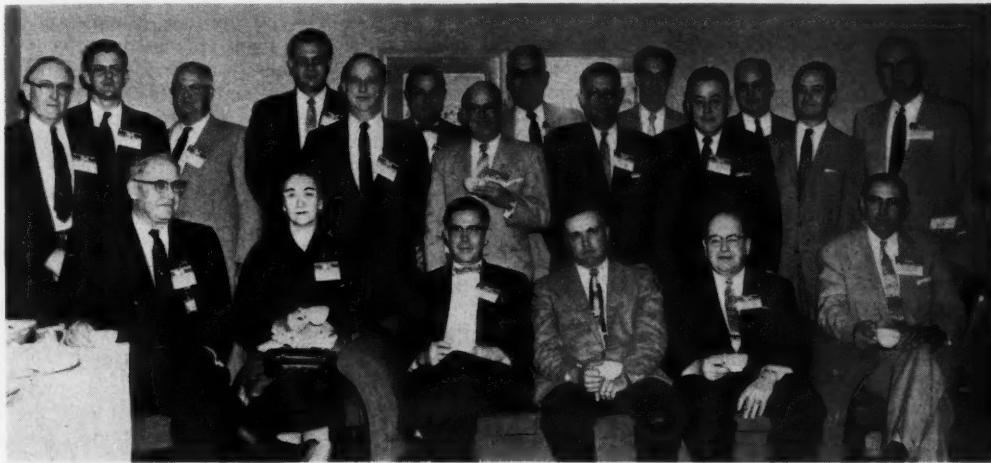
My philosophy is that Jesus Christ himself—if he were an industrial doctor—could never please all employees of an organization, and I don't hesitate to tell this to our employees.

I do tell them that we have the best industrial doctor that money can buy; a doctor who will come out day or night and handle an accident case and who knows speed is important in handling accidents. Our doctor has proved his ability many times. I would like to point out that he now has a radio service and we can call his office any

time of the day or night and have him radioed to one of our plants to handle an accident case.

I further tell our employees—and have requested the union officers to tell our employees in their general meetings—that our doctor has my unqualified OK to call in any specialist that he may desire in order to help him with an accident case. I do this to let everyone know that it is our policy to take care of, in the best possible

gets hurt if he is unable to continue work that day. If a lost-time accident is involved we pay the employe 40 hours' pay for the week following the accident; and if the lost time is longer than this, then the regular weekly compensation payments are made. However, we have supplied families with meat on credit in some serious injury cases. Our employees' credit union does all it can. Many times the employees in the department of the in-



CENTRAL DIVISION enjoys coffee break at Sunday gathering. States of Illinois, Indiana, Ohio, Kentucky, Michigan and Wisconsin are included in division, which tentatively set next regional meeting for Friday and Saturday, January

10-11, in Cincinnati. Divisional vice president is Alan J. Braun, The Braun Bros. Packing Co., Troy, Ohio, standing fourth from left. Five NIMPA divisions met immediately after forum for state association representatives.

manner, any employe who is injured on the job. I think the broadcasting of this type of information helps to break down the resistance employes have to industrial nurses and industrial doctors, and also helps develop safer attitudes toward the performance of one's job.

In these trips to the doctor or the hospital I never fail to get in some sugar-coated, accident-prevention advice, and the best time to do it is right after the accident happens—assuming, of course, that the employe is not injured too severely at the time.

In an effort to develop a better attitude I have posted bulletins around the plant telling everyone that the supervisor in charge has full authority to send a person to the doctor's office or to the hospital after our nurse has finished her day's work. I personally check with our night-shift supervisors to be sure they understand this policy. I tell them I would prefer to spend the money for a visit to the doctor or to the hospital rather than have them worry about the fact that the employe was hurt more seriously than they thought. Our night-shift employes know this and I think it gives them more security and a safer attitude toward their jobs. I talk to as many night employes as possible whenever I am at one of our plants in the evening.

In addition, I am on call whenever an employe is sent to the hospital in the evening. I rush out to the hospital to make sure that our doctor is on the case and that everything is being done for our employe.

I publicize this care at every opportunity so that all of our employes know that top management is sincere when it says it is vitally interested in the welfare of its employes. As I said previously, I think this kind of care and publicity help build safer attitudes.

NO SUPPLEMENTAL PAY IN INJURY CASES: We do not have supplemental pay in injury cases. We do pay an injured employe eight hours pay on the day he

injured worker will take up a voluntary collection to help the injured employe and his family.

We don't make a job for an injured lost time employe, but we do put an injured employe back to work as soon as it is humanly possible. We may put him on a light job temporarily, but we don't create a job for him, like opening and closing a cooler door. I firmly believe in the philosophy of getting an employe back to work as soon as possible—it helps the employe to get back to normal more quickly and it helps our accident costs.

It is surprising how often during one of my trips to the doctor with an injured employe that the employe will admit that the accident was caused by his or her carelessness. I have publicized the role of carelessness in creating accidents.

Our union contract states that the employe must report his injury immediately, and that our company doctor is the only one who can OK paid time off for an injury. I have put this information on all the bulletin boards in our plants and have instructed our nurse to inform me personally when she has an employe in the first-aid department for treatment of an injury that took place yesterday or a few days previous. This employe gets personal on-the-spot instruction, and I can assure you that delay in reporting doesn't happen twice with the same employe.

I continually publicize the importance of speed in getting treatment for any injury no matter how slight it is, and I have requested any employe to report to me personally any supervisor who does not send an injured employe to the first-aid department when the employe reports an injury. I have personally assured our union that no supervisor will be given the opportunity of "picking on" any employe who reports this negligence by the supervisor.

I use a simple supervisors' accident report for each

accident that necessitates a visit to the doctor. The nurse fills out the employe's version of the accident and then sends the report to the supervisor involved. The supervisor must fill out his version of the accident—why it happened or how it happened and what steps he is going to take or is taking to prevent a repetition of this same type of accident. Then the report goes to the plant superintendent. He is the person I want to OK the report before it comes back to me for further analysis or action. To me, the plant superintendent is the most important man in any accident-prevention program. It is his plant. He is responsible for the operation of the plant. Safety is an integral part of production and if he is responsible for production, which he is, then he is responsible for the safety of every one of the plant's employees.

SUPERINTENDENT BIG FACTOR IN PROGRAM:

The superintendent can do the most good in any safety and accident prevention program. He can make safety an important part of his daily or weekly supervisory meetings. He can point out daily to supervisors unsafe acts and unsafe conditions. He can develop safe attitudes on the part of his supervisors. I repeat, the superintendent, or whatever title he has, is the most important person in any accident prevention program.

When I started the supervisors' accident report form I got some squawks from some of the supervisors. I explained carefully what I wanted in these reports and why



EASTERN DIVISIONAL vice president Carl H. Pieper has the floor but willingly shares the microphone with his group at Sunday meeting. Division scheduled next regional meeting for Friday and Saturday, December 6-7, in Washington, D.C. Area includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia and the District of Columbia. Pieper is president of Oswald & Hess, Inc., Pittsburgh.

I wanted the information. Then I bluntly told them the way to avoid the necessity of filling out an accident report was to do a bigger and better accident prevention job, and then there would be no reports to fill out.

I use posters and bulletins. A poster is not a training device. It doesn't teach anything. It merely reminds the employe of something he knows. However, try to combine reminding and instruction in the poster and you are doing what I suggested in the simple outline I gave you—combining training and promotion.

We do not have a safety committee. The insurance company safety engineer and I periodically check the plants. I encourage each foreman to check his own department. The reason we do not have a union-management inspection team is that I feel these people are not

trained to spot hazards. They don't know what to look for, and often a union-management inspection team ends up with nothing accomplished, and this may result in a lot of bickering.

I send out a weekly (sometimes hold it for two weeks) letter to all supervisors, superintendents and top management, giving the name and department of an injured worker; how he got injured and why. By means of this bulletin I try to develop some intraplant and interplant rivalry. This bulletin also keeps top management informed of what is going on regarding the frequency of our accidents. If they so desire they can step in and do some question-asking, and the foremen and superintendents know this. A good job also gets a pat on the back in this letter.

Periodic bulletins are sent to the employees in their pay checks stressing some accident-prevention points for their consumption, the value of using personal protective equipment, etc.

Here are some of the things I have not done, but am thinking about:

1. Neon flashing signs at each plant entrance; with the slogans changed periodically: "Be alert;" "Don't get hurt;" "Work safely;" "Avoid accidents," etc.
2. Send a letter to the home of an employee who was injured on the job expressing regret over the accident, and a sugar-coated, accident-prevention message in the letter.
3. Publish a booklet of safety rules. These are not often read. However, there are ten basic safety rules which can be incorporated into a small, inexpensive booklet. I'll be glad to send you these ten general safety rules if you will write to John Mohay at the NIMPA office in Washington, D. C.

4. Send out a weekly newsletter to all supervisors. This can be done by skimming through a good magazine and giving the supervisors condensed economic and national and international news each week, as well as throwing in some accident-prevention pointers and training material. This newsletter can be an efficient homemade job each week.

As I stated previously, accident prevention is an integral part of daily production. As such, it should be accomplished as economically as possible with a minimum of waste time and motion.

Your attitude is the most important factor in the situation. You must be really interested in accident prevention to make the program work. Does the person who handles your program attend regional safety conferences? Why not have him do this, even if that person is you. Attend a safety seminar or short course sponsored by your regional university. These short courses will bring you abreast of the current accident-prevention techniques and enable you to implement them in your company.

Above all, don't get discouraged. The development of proper attitudes takes time. One of our biggest steel companies has been working very hard on accident prevention for the past 25 years and it feels that its program finally is beginning to develop the proper accident-prevention attitudes in the minds of its supervisors and employes. The development of proper attitudes is no over-night proposition.

Don't forget this one thought: If you can't afford safety, you can't afford to be in business.

Choose the plan to suit your needs and work your plan. A successful approach to accident prevention pays big dividends in better employe morale, better and increased production, lower operating costs and better profits for the company.

Employes—How We Keep 'Em

Wage Escalation, If Rightly Used, Has Merit and Advantages For All



Asserts Arbogast & Bastian's J. A. BURDETTE

THIS discussion on cost of living allowances probably doesn't have much direct relationship to the theme of the meeting—"How to Keep Personnel"—except insofar as wages alone will keep your personnel on the job.

I am sure all of you here are well aware that such is not the case. Wages are one of the very important factors, but not the most important by any means.

My subject is a very important phase of our industrial relations program in the industry today due to the inclusion of cost of living allowance clauses in meat packing contracts throughout the country.

Many of you have already included the cost of living allowance clauses in your contracts. Others will be faced with the situation very shortly.

Whether or not you have already done so formally, you have been giving cost of living allowances in the regular negotiation of your contracts.

If you do not have an organized plant, you have made regular increases in wage rates over a period of years just to keep pace with the market for labor. You have been giving allowances in many ways, and, perhaps, without much thought.

You have been giving them, as a matter of fact, by law. The recent increase in the minimum wage that affected some of you, although, perhaps, not many, was, in effect, a cost of living allowance legislated by the federal government.

First of all, what is the "cost of living index?" It is called many things. It is called the Cost of Living Index. It is called the Consumer Price Index. To those of you who have been arguing with your union in negotiations about it, it might be called many unmentionable things.

It might be interesting for you to know the full title. I just came across it, although I had been familiar with the index for many years. It is so long I have to read it.

It is "The Index of Change in Prices of Goods and Services Purchased by City Wage Earners and Clerical Worker Families to Maintain Their Level of Living."

That is a pretty long title and it sounds like something that came out of Washington. Most of us know it as the Cost of Living Index. Is it really this?

The answer, of course, is yes, with some reservations. It is published by the Bureau of Labor Statistics, U. S. Department of Labor.

HISTORY OF INDEX: I don't claim to be an expert, but I have it on the authority of people who are experts in the statistical field, that there are at least two good statistical organizations in the federal government, and one of them is the Bureau of Labor Statistics, and the other is the Bureau of the Census.

They do a very good and workmanlike job of collecting, collating and publishing statistical data. The Cost of Living Index is published by one of these organizations. I think you can trust it within the limitations which I will mention a little bit later.

The history of the index is that it was originally devised just for the purpose of negotiating contracts, a use for which it is only now beginning to be employed, although the index was initiated during the period of World War I.

Its specific purpose was originally to show the changes in the cost of things which shipyard workers had to buy during the period when prices were changing rapidly in World War I.

It is a little odd that it was published for that purpose first, and is only now finding use and acceptance in the contract field.

The index was not a generally published and distributed one until 1921. Cities other than shipbuilding and great industrial centers were added to the base upon which the index was built.

The first statistics were gathered during the period of 1917 to 1919, and that was the original 100 base period.

The index continued in limited use, and was somewhat obscure until the fall of 1935, when the federal government's statistical bureaus undertook a complete study and revision of the Consumer Price Index. This project was not completed until 1940. In 1940 we got the Consumer Price Index in the form in which it was used until very recently.

The base chosen for the new index—the new 100 level—were 1934-1936 family expenditures. This base continued in use through World War II and up until 1950.

Adjustments were made, of course, during World War II to take into consideration the fact that some items were either in short supply, rationed or not available at all, or were out in substitute quantity or substitute quality. However, when World War II was over, and we went off rationing and price controls, we went right back to the old method which was, by that time, getting a little bit out of date. It was no longer accurate for the purpose for which it was being used.

REVISION: By 1950 I think that everybody recognized that people were not living in the same way as they were in 1935. There were a great many changes taking place. First of all, people had a generally higher standard of living. In addition, they were buying more of some things and less of the others. For example, they were buying fewer ice boxes and less butter, less soap, fewer were paying rent. They were buying more refrigerators, detergents and houses. Industrial workers, as a class, were changing from renters to home owners. They were buying automobiles in greater numbers, and they were buying television sets which didn't even exist in 1935.

A complete study and revision was undertaken, and, by January of 1953, the present index, based on 1947-1949 expenditure patterns, was published.

I think that there is ample evidence that spending patterns have again changed so drastically that another revision should be in the making.

As a matter of fact, Congress now has an appropri-

ation request from the Labor Department which calls for additional studies and surveys to bring the index up to date. While I am not here to advocate that we spend more money in the federal government, I do believe that this is one place where money could well be spent if additional money is necessary. I have been in the Bureau of Labor Statistics several times and I am led to believe from my observations that this revision might be accomplished without spending any more money. However, I very heartily advocate the modernization of the index.

ANOTHER CHANGE NEEDED: The reasons for that change are summarized in an article in a recent issue of *Business Week*. This is what has been happening to the Cost of Living Index recently:

"Workers' wages have gone up 25 per cent since the last index revision, while the government's index has risen very little. Since this could mean significant changes in buying patterns, B.L.S. wants to know whether it is time for some revision of the weights in our index."

(That 'very little' is 18 per cent, or I should say it is only 5 per cent since 1953 when the new index first went into effect, but almost 18 per cent since the base period.)

Economists studying the B.L.S. index report a change in the nature of the rise from one sparked first by an increase in one type of commodity, and then by another, to a rise caused by upward pressure from practically all commodities. They conclude that the time when rises in one type of consumer cost might be offset by declines in other areas is over. Today, practically all prices are climbing.

"The climb, when it began about a year ago was caused primarily by increases in food prices. Food had been trending downward for a couple of years, offsetting effects of rises in other prices and giving the overall index a remarkable stability. When food prices began going up in the spring of 1956, they raised the whole index.

"A second major category of consumer purchases—hard goods, such as autos, household appliances, and the like—has now joined the upswing. This is the major change noted in the movement of the price index in recent months, and the one that has convinced Washington analysts that the economy probably faces a period of gradual but sustained rises.

"A third major category, services, has been leading the upward trend right along. Even while food was declining and hard goods prices were remaining stable, services were soaring. Local water rates led with a resounding 35 per cent gain the past four years. Radio and TV repairs are up 25 per cent, and auto repairs 15 per cent. Public transportation fares are up 20 per cent. Medical care is up 15 per cent.

"There is a steady rise for services. Increases in the

price of services have been going on ever since World War II, after lagging behind food and hard goods for years. So, some of what has been going on is merely a catching up.

"Others suspect a fundamental economic process is at work, based on the inability of service trades and professions to increase productivity. They theorize this way: In industries where there is marked gain in productivity, wage increases need not be matched by offsetting price increases. Thus the rapid rise of factory wages did not, up to late 1956, have any marked effect on prices the consumer was paying for processed food or hard goods. But managers of service trades had to increase the pay of their employees without any offsetting rise in productivity.

"The whole cost of wage increases in such trades has to be met by increasing prices to the consumer."

He goes on to say, of course, that the outlook for the immediate future and maybe for a long time is that the cost of living index will continue to be on an upward trend. That is of major importance to us as we think about what the cost of living allowance clause in our contracts is going to do to our wage structure.

HOW AND WHERE: I said I thought that within limits the index is reliable. A little insight into just exactly how the data are collected and processed may give you some idea of why it is reliable.

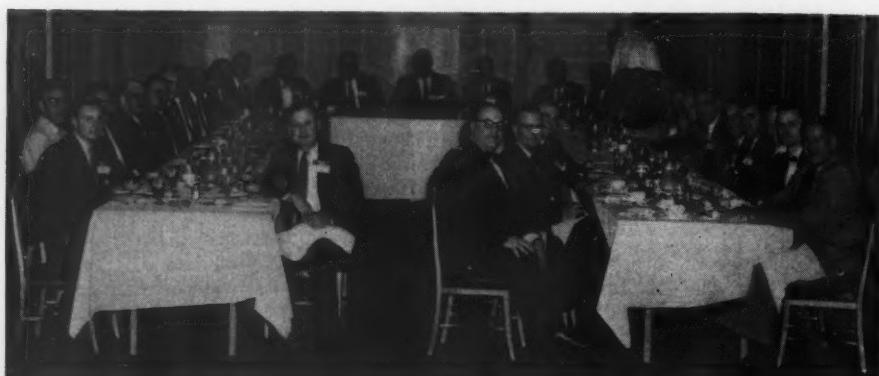
Does the index for instance, cover the entire country in an accurate statistical fashion? Do any of you know or have any of you ever heard of anybody who was questioned about the way he spent his money for this particular purpose?

Do any of you know of any stores where prices were gathered to determine whether there had been a change in the prices or not? The possibility is that you don't, because these statistical techniques require such small samples, as compared to the total population, that perhaps it has not come to your personal attention that such fact-gathering has been going on.

Samples are now taken from 46 cities in the United States, both as to consumer family spending and as to the changes in prices. The 20 largest cities in the United States are included. In addition some 26 smaller cities are sampled regularly. The 20 largest ones are sampled monthly, and the 26 others are sampled on a quarterly schedule.

I will just read off some of the cities; one might be your home town, although you may never have heard about the sampling.

They are as follows: Anna, Ill.; Camden, Ark.; Canton, O.; Charleston, W. Va.; Evansville, Ind.; Garrett, Ind.; Glendale, Ariz.; Grand Fork, N. D.; Grand Is-



1956-57 OFFICERS and directors of NIMPA met with 1957-58 officers and directors of the association at an installation banquet on Sunday, May 12. The purpose of the meeting was to provide for continuity of association affairs between old and newly elected officials.

land, Nebr.; Huntington, W. Va.; Laconia, N. H.; Lodi, Calif.; Lynchburg, Va.; Medill, Okla.; Madison, Wis.; Middlesboro, Ky.; Middletown, Conn.; Newark, O.; Pueblo, Va.; Ravenna, O.; Rawlins, Wyo.; San Jose, Calif.; Sandpoint, Ida.; Shawnee, Okla.; Shenandoah, Ia., and Youngstown, O.

That is quite a representative list of medium and small cities. My personal opinion is that this furnishes a very good sampling of the general population when you combine it with the 20 large cities.

Who do they question in those cities? What is the average family?

The average family is not selected as an individual average, but the BLS selects units which tend toward the middle, by inspection, and then insures their average quality by statistical analysis.

For instance, no family is included with annual income of \$10,000 or more. Family income is the criterion, even though there may be one or two wage earners in that family. Single people are not included. Old people are not included. Domestic servants are not included. Any unit with buying habits which might be other than those of an average industrial family would not be included.

It also might interest you to know what items are included and how much weight they are given.

Actually, of the several thousands of items for which the average family spends its money, only 300 have been selected as the key items, and they are representative items in fields or groups of interest, or rather, items which generally move up and down together. They are broken down into major categories and then sub-categories.

HOW CONSUMERS SPEND: For instance, the largest single category, of course, is food; food at home is the largest single item in that field. The average worker in 1947 to 1949 spent 29.8 per cent of his income for food and 26 per cent of it was spent for food at home. He didn't take mama out for dinner very often.

Of the total that he spent for food, he spent 25.7 per cent for meat, poultry and fish. Thus he actually spent almost 8 per cent of his total income for meat, poultry and fish. That shows an upward trend from the past; over the past 50 years only about 5 or 5.5 per cent of disposable income was spent for meat, poultry and fish.

The consumer of the index spends 32.9 per cent of his money for housing, which includes gas, electricity, house furnishings, etc. He spends 9.4 per cent of his money for clothing; much more of this is spent for



FLOOR VOLUNTEER suggests a new way of using Cash-X pistol at the convention session that dealt with humane slaughter tools.

his women folks than for himself and his boys. He spends 11.3 per cent of his income for transportation, including the family automobile as well as public transportation; almost 5 per cent for medical care; 2 per cent for personal care, such as haircuts, toothpaste, toilet soap, etc.; 5.3 per cent for reading and recreation, and 5 per cent for other goods and services, such as cigarettes, cigars, beer, whiskey and miscellaneous.

This is one of the areas where the situation may have changed. It is apparent that although the man is getting more money, he is not spending it in the same proportions, and so the proportions should be changed.

I believe a very thorough job has been done on the index, and I think that if it is kept up-to-date it will reflect to us the true picture of what should be done on wages in relation to the cost of living.

ESCALATION, HOW? Now the question is, should wages be escalated, and if so, how?

Here we get out of the realm of fact and history and statistics and go into one of opinion. From now on, I will be giving you mostly my own opinion, although I have tried to color it somewhat with the opinions of other people with whom I have talked.

My opinion on this subject is, "yes;" it has more plus values than minus ones.

First of all, simply standing still has never been a human objective. Everybody wants improvement. How do we get improvement in our standard of living without an increase in real wages? We cannot get in-



NIMPA's TWO top officers flank this happy group photographed during cocktail party and reception in Grand Ballroom. At left is J. B. Hawkins, first vice president and vice chairman of board, while president and chairman Chris E. Finkbeiner is at right. Edwin H. Pewett (second from right), new general counsel, thinks he's going to like the NIMPA bunch.

creases in real wages if we do not escalate to keep pace with the rise in what it costs our employees to live.

I think Sam Gompers put this very succinctly when he was asked, "What do the unions want?" He gave a simple one-word answer, "More."

That is normal and natural. I don't think we should fight it. I believe it is for the good of all of us that the standard of living of the general population continue to increase.

By the same token, of course, cost of living escalation alone is not enough. If you could, for instance, settle in your next labor negotiations for a long-term contract with a cost of living escalation clause in it, you would have won a major victory from your standpoint (if you still look at these things as victories and defeats) because you would only be keeping pace so far as your employees were concerned.

That is not enough. However, escalation does tend to separate out the cost of living allowance factor and put it on an automatic basis. Such procedure separates cost of living from other contract considerations; then, when you talk about general increases beyond and above cost of living, you are talking about only one thing—productivity.

Such separation puts you on sounder ground for argument and eliminates an extraneous issue. It puts the union a little bit on the defensive so that it must



TOMORROW's livestock prices are subject of discussion between Wally Farrow and Earl Martin of Indiana Livestock Co., Indianapolis, and Harry L. Sparks, H. L. Sparks & Co., National Stock Yards, Ill., and other midwestern locations.

give some reason for what it is asking. You are in a much better position to bargain when you have eliminated this one major variable factor by putting it on an escalator basis.

DOWN, TOO: Another point about escalation is that an escalator goes up and *down*. All the major contracts



EXHIBIT HALL SCENE: At Diamond Crystal Salt booth, Harry M. Jones, Southern Foods, Inc., Columbus, Ga., and Vernon Opp, Slo-ma-Lyons Brokerage Corp., Chicago, listen while Conrad Schornsteiner of Diamond Crystal talks to A. L. Smith and Mrs. Smith of the Smith Packing Co., which is located in Harrisburg, Illinois.

AFTER A FACT—and action-packed day—during which the meeting program ranged from accounting to packaging, and the pauses were punctuated by the popping of humane slaughter pistols—meat packers and suppliers were glad to relax and "lift a few" at the NIMPA cocktail party, reception and dance. As can be seen in the pictures on the facing page, the tid-bit tables were popular, old-fashioned visiting was enjoyed, some of the younger and more athletic guests danced and president Chris Finkbeiner was finally able to wrestle the PA system into working for his introduction of new NIMPA officers. Social highlight took place Monday evening.

with escalator clauses provide for a down-swing when the cost of living index drops.

Of course, it has not done so yet, but that is not to say that it never will. I don't hope for such a development very soon, and I am not even sure it is optimistic to think that it will. However, at least you have the assurance that as you go up with this thing, you will also come down with it.

Perhaps you will not come down as fast as you went up, because most of the contracts call for slower reductions on the downgrade than for increases on the upgrade, but at least you have an up and down factor.

When you have a negotiated wage increase which blankets raises for the cost of living, productivity and a number of other things, it is permanent; it is fixed and there is nothing to go down. You have then established a new level. In contrast, with the cost of living allowance you do have some flexibility.

While a contract with escalation does not give you a solid base on which to do your long-range forecasting, I believe that this is a minor factor, considering that most contracts are written so that you do have a little advance notice that your wages are going to rise and can adjust your planning accordingly.

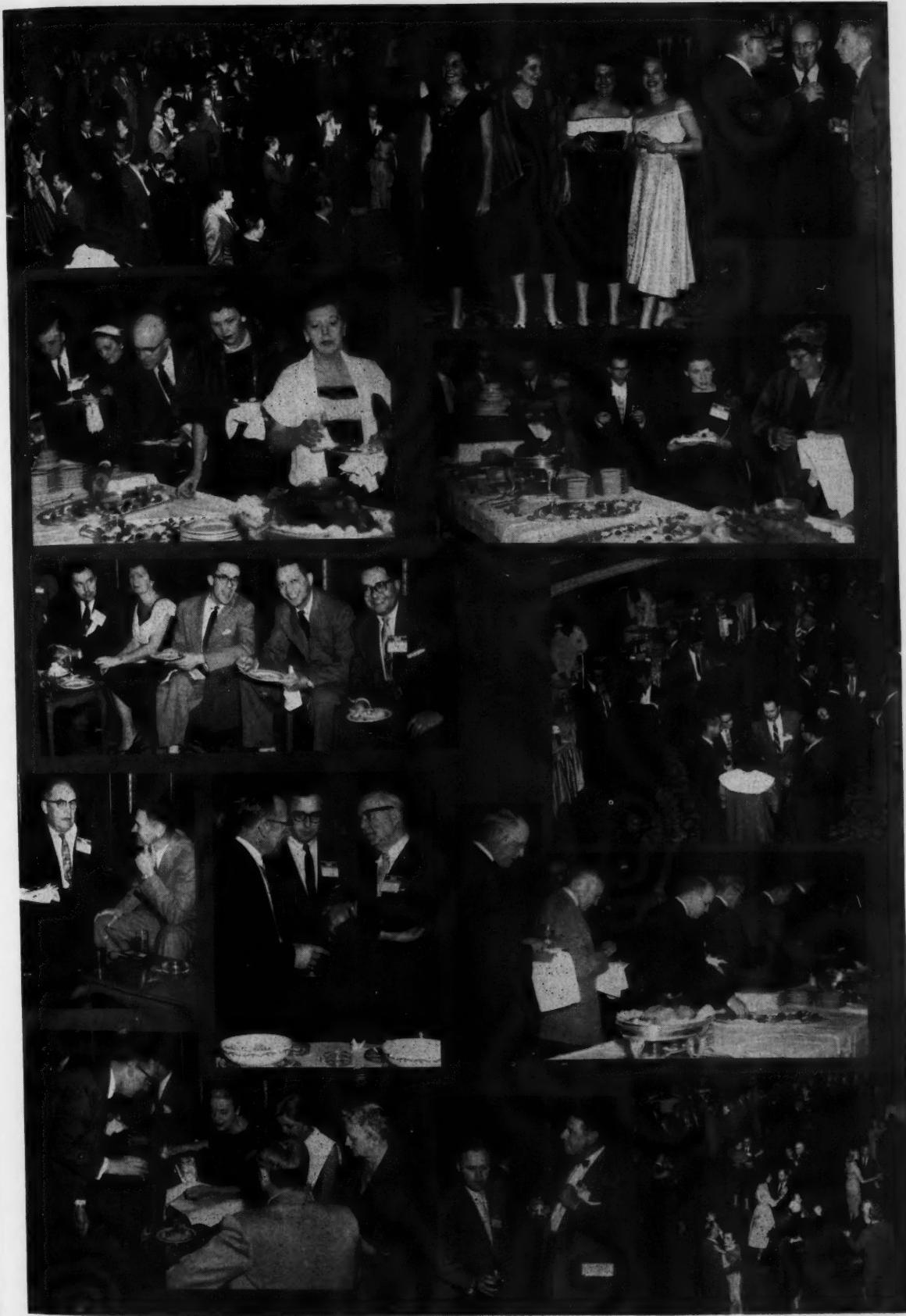
When you do negotiate a cost of living allowance into your contract, I think there are three things that you should keep in mind.

One is to make the period between escalation as long as possible. Try to avoid monthly and quarterly adjustments. I would say that six months is a reasonable period and, perhaps, an optimum period. That is the basis on which many of the contracts are written right now. Such an arrangement enables you to get away from uncertainty about your wage rates and to do some advance planning and forecasting.

The second thing is to fix your adjustment dates at least six weeks to two months following the publication of the cost of living schedule on which you are going to base the adjustment. This will give you time to think and to get ready to do your adjusting, and it also avoids the problem of retroactivity. You won't have already sold a product and got the money, only to find you must pay more to produce it, because of retroactive compensation.

Fix the adjustment dates far enough ahead to avoid retroactivity and give yourself a chance to watch the situation and see which way it is going to jump.

The third thing is very important: make adjustment a two-way street. Don't step on one of these up-only escalators for you will get hurt if you do. I don't think a union will stand up for a one-way escalator for very long, because unions recognize that if it is fair and just and reasonable for wages to be escalated, it is also fair and reasonable for them to be de-escalated. At least, that has been so far the history of this escalation process.



Employees—How We Keep 'Em

Fringes, Fringes Everywhere, They're Thicker than You Think



Chants Heil Packing Company's JOHN FAUST

LICHTY, who draws "Grin and Bear It," recently had a cartoon showing a robber holding up a paymaster of the Titanic Corporation, saying "Never mind the payroll, Buster, just hand over the welfare fund, the withholding tax, the health insurance fund, and the pension fund."

Fringes are the non-wage labor costs. These non-wage labor costs of your present era include, but are not limited to the following:

Overtime premium pay; holiday premium pay; shift differentials; incentives; time-and-a-half pay for Saturday as such, and Sunday premium pay.

Social Security, unemployment compensation, workers' compensation; state sickness benefit insurance.

Pensions; life insurance, accidental death and dismemberment insurance; ambulance; accident and sickness insurance; daily room and board in the hospital; special hospital charges; surgical care and medical care insurance; diagnostic examinations; separation pay, and discounts on goods which are purchased by employees from the company.

Rest periods; lunch periods; second lunch periods with free lunch and time-and-a-half for eating it; wash-up time; travel time; clothes-changing time; get-ready time; warm-up time—and some wit asked if warm-up time meant a hug and a kiss from the boss; vacations; pay for holidays not worked; payments required under guaranteed work-day, work-week, and work-year; call-in pay; jury pay; witness pay; voting pay; national defense, state or national guard duty; payment for time lost due to death in family or other personal reasons.

Profit sharing payments; Christmas or other special bonuses; service awards; suggestions awards; payments to union stewards or officials for time spent in settling grievances, or in negotiating grievances; furnishing work clothes; knives, steels, whetstones; time for preparing and repairing knives, steels, and whetstones; furnishing boots, aprons and special outer working garments.

Safety devices, including safety helmets, mesh guards, wrist guards, goggles, rubber discs for steels, knife pouches, hook pouches, boots for cleaning tank cars and sewers, safety boots for hog and sheep shacklers, rubber gloves, pall bearers gloves, cotton gloves, breast puller pads, raincoats, knife boxes, leather aprons, shoulder pads, knife guards, dust and gas masks, knee pads.

Losses on cafeteria operations for in-plant feeding; first aid expense; picnics; cost of living allowances; free beer; free bagels; personal birthday a paid holiday with the worker also being presented with a \$5 bill by the employing company.

These fringe benefits in 1951, according to the United States Chamber of Commerce, cost 18.7 per cent of payroll—31.5c per hour—\$644 per employee.

In 1955 these costs had risen to 20.3 per cent of payroll—39.2c per hour—\$819 per employee.

The company that won the 1955 United States Cham-

ber of Commerce fringe payment award reported fringe payments of over 50 per cent of payroll, amounting to more than \$2,100 per employee.

One packer stated that in 1950 the average cost per hour for fringes amounted to 32.5c and the average cost was \$687 per employee.

In 1956 this same packer stated that his fringe benefits had risen to 53.2c for an increase of 61 per cent. Some of these fringes are income tax deductions to the employer and free from income tax to the employee. Among these are insurance premiums, pension costs, and payments to trust funds or insurance benefits and pensions.

How far will this trend of bigger and better fringes go? Some union contracts are figured at an ad valorem rate of 5 per cent of gross payroll for welfare, 5 per cent of gross payroll for pensions and 2 per cent of gross payroll for recreation and education. This makes a total of 12 per cent of gross payroll before any deductions. The bigger the hourly wage, the bigger the bite taken by the fringe benefits.

Some fringes go into a sort of socialistic pot, such as 5c into a trust for guaranteed annual wage and supplemental unemployment benefits.

Other fringes are earmarked for the individual, like the glass plan: 5c into an individual savings account to be drawn on by the worker when laid off or sick. If he is neither sick nor laid off, and when his account exceeds \$600, the employee receives the excess of \$600 as additional vacation money.

These fringes have made and are making union contracts Bible-like, very long, and, because of their length and the confusion, they are subject to, "How to beat it."

For instance, a favorite device is for an employee to be absent before a holiday, thus forfeiting holiday pay. He can recoup because of the guaranteed hours per week provision in the contract.

Have you ever thought of what would happen if the Taft-Hartley Act were amended to allow the individual worker to decide for himself whether he wanted fringe benefits or cash?

The young worker with a family is looking for cash, the older worker for pensions. How much is the older worker being subsidized by the younger worker?

What about the worker with ten years in one city, with one employer and one union, when the illness of one of his family necessitates moving 2,000 miles to another city, to another industry and to another union?

Should all of these credits be wiped out? Suppose a worker averages \$100 a week and is subject to the 12 per cent deduction, that is \$600 a year, or \$6,000 in ten years. What happens to this \$6,000 that has been credited to this worker?

This is a litany of the fringes and indicates a few of the problems involved. Let's all make a date for May, 1958, and examine the list and project the trends again.

Fringes are fascinating.

Employees—How We Keep 'Em

Contracts are Dramatic, But Day-to-Day Bargaining and Arbitration are Basic



Counsels Labor Relations Arbitrator G. A. DASH

AMID the flashing of photographers' bulbs and the hubbub of voices so recently changed from haranguing arguments to laudatory comments, the signatures of sometimes exhausted men are applied to a company-labor agreement.

Days, weeks, and perhaps months of stresses and strains are in the past, and a bargain has been reached which represents a give-and-take by management and union representatives. But if anyone thinks that collective bargaining between such parties is finished, he is indeed a neophyte in collective bargaining.

Collective bargaining between the management of a company and the representatives of a union is not limited to a dramatic incident once each year or two, conducted by the top executives of the company. It is a continuous, day-to-day process that never ceases.

Through it, the daily routine problems of labor and management relations must somehow reach a settlement.

The collective bargaining agreement simply comprises a series of principles and understandings which management and the union agree to observe in their day-to-day relationships. When it is finished, the agreement is merely the framework of a building or the skeleton of a body. The building or the body which will eventually come into being, represents the complete collective bargaining relationship between management and the union.

Bricks and mortar must be added to the framework; flesh and blood to the body.

To a substantial degree, the building or body of the collective bargaining agreement will be fortified and given shape and form with bricks, mortar, flesh and blood supplied by the settlement of individual daily problems by the parties themselves, or by arbitration.

The major part of collective bargaining deals with the daily settlement of problems which the parties must somehow reach in the long periods between contract negotiations. The manner in which they solve those day-to-day problems will determine whether the body of their collective bargaining relationship will assume the proportions, symmetry and attractiveness of a Marilyn Monroe, or the somewhat less attractive proportions and appearance of a Boris Karloff.

The very heart of a collective bargaining relationship is the grievance procedure which provides the means for the settlement of day-to-day issues.

Through that grievance procedure, the parties will settle not only situations which are contemplated by the terms of their agreement, but also situations which they either did not contemplate, or on which they could not have reached an exact statement of agreement had they considered them during their negotiations.

The day-to-day collective bargaining on individual situations, and the settlement of grievances through an established grievance procedure, including the terminal point of arbitration, will give substance and meaning to the bare statement of principles in the agreement.

As the agreement passes on toward greater maturity, this day-to-day collective bargaining will result in the application of agreed-upon principles to specific situations, either by the parties themselves or through the process of arbitration.

Eventually, there will be built up a series of precedents or, if you please, a body of industrial common law, which will be applied by the parties and the arbitrator within the confines of the collective bargaining unit covered by the agreement.

Arbitration, as the culminating step in grievance procedures to settle day-to-day issues which the parties are themselves unable to resolve, has grown tremendously in stature since the days of the War Labor Board in existence from 1942 to 1945.

ARBITRATION'S PERSPECTIVE: More and more attention is being paid by those interested in sound labor-management relationships as to ways and means of placing arbitration in its proper perspective in collective bargaining.

Most students and practitioners agree arbitration should be used as an adjunct to and not a substitute for collective bargaining.

The parties to a collective bargaining agreement are best advised to settle most of their day-to-day issues through the steps of the grievance procedure and to submit to arbitration only their true and honest differences of opinion not resolvable in any other fashion. If the parties use arbitration in this fashion, it can place the final seal of success upon a sound and lasting labor-management relationship.

It has been suggested that, as an impartial person who earns his livelihood in settling issues between labor and management, I could make suggestions to you as to how arbitration can be most useful in solving the day-to-day issues that arise in the ordinary collective bargaining between labor and management in those long stretches of time that exist between successive negotiations.

Apparently the thought is that if I do this properly the end result will be that you, as employer representatives, will win more cases in arbitration.

I could argue with the reference to the word "win" in connection with an issue in arbitration, for to many it seems out of place in a sound labor-management relationship in which neither party is engaged in a contest to outdo the other.

Let me suggest that both parties win in the resolution of any grievance through arbitration, regardless of the outcome, if they will but take the time to balance the results thus obtained against the substantial losses that might occur through settlement of the issue via the alternatives of a strike or a lock-out.

Your program committee has suggested the title of my talk, "How to Win Arbitration Cases." As an impartial person who has been selling that impartiality over and over again for two decades in the settlement of labor-

management disputes with the constant hope that it will ever be replenished without taint, I know you will not expect me to speak of ways and means by which you can take advantage of your opponents at an arbitration hearing. I do not do so to union representatives to whom I speak. I, of course, will not do so to you today.

But I would like to speak to you, briefly, as to a number of pertinent points that, if followed in practice by you, will enable you to use arbitration in a manner that will further the soundness of your collective bargaining relationship. Some of these points will appear to you industrial relations practitioners to deal with extremely simple principles.

However, each of them is based upon a given type of situation that has arisen often enough in my 20 years of experience as an arbitrator to impinge itself upon my consciousness to a degree that makes it seem worthy of mention. The end result of my comments to you, I hope, will be to enable those of you who have anything to do with labor-management relationships, to use arbitration in the proper way to do justice to yourselves and to your companies.

The winning of arbitration cases begins with the negotiation of an agreement and ends with the effectuation of the arbitration decision, whether it be a win or a loss.

A LIVABLE CONTRACT: Therefore, I would like to speak first to you along the lines of negotiating a contract with which you can live and which records your understandings with your union in clear and unambiguous language. Next, I would speak concerning the proper administration of your agreement and the use of the grievance procedure thereunder to settle the majority of your day-to-day issues.

Finally, for those issues not otherwise resolvable, I would like to make some suggestions concerning their preparation for and presentation to arbitration, with a few concluding comments or admonitions along the lines of learning to live with and by arbitration decisions.

Negotiating a contract with which you can live:

With the ever widening range of matters being made subject to collective bargaining in the United States each passing year, it is becoming more and more difficult for representatives of management and labor to keep current with developments. As one of the new areas is made the subject of a collective bargaining agreement between bell-wether companies and unions, there appears to be

a growing tendency by many companies and unions to play follow-the-leader by adopting the resulting agreement provision as a kind of standard or pattern.

There is great danger to such a procedure, because labor agreement provisions are, or should be, peculiarly directed to the expression of a specific understanding between a particular company and union. What some other company and union representatives have in mind when they reached an understanding on some area of collective bargaining should mean little to another company and union in their desire to express their own specific understandings.

Pattern bargaining, or the use of standard clauses, can lead a company and a union up a blind alley fraught with unknown financial and security risks to both parties.

Representatives of management and of labor have a mutual responsibility to each other and to those they represent to arrive at mutually satisfactory bargains which they themselves understand and with which they feel reasonably certain they can live.

Agreement provisions should be expressive of understandings which the parties reach in a free give-and-take collective bargaining process. There will be room for change, for improvement, for growth, as their relationship matures with age. As the years pass, each party will be expected to have the agreement reflect the understandings as to wages, hours, working conditions, and so forth, with which they feel they can be satisfied for the duration of the existing agreement.

One of the principal problems of management in negotiating a contract with which it can live in its relationship with its union is in having the management clause express properly its own concepts as to this most important keystone of the agreement.

Some companies favor a management clause that mentions, specifically, the areas that are to be considered exclusively the function of management.

Other companies fear that in mentioning some areas or functions that are exclusively under management's control, it will be implied that application of other functions will be dependent upon union consent. Some of these latter companies take care of the problem by saying that "Except as provided in this agreement all rights are vested in the company."

MANAGEMENT'S PREROGATIVES: Others list some of the functions that are exclusively within management



BIGGEST REGIONAL turnout for Sunday afternoon meetings was achieved by southern division, which includes states of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. J. B. Hawkins of Lykes Bros., Inc., Tampa, seated left in front row, formerly vice president of this

division, is NIMPA's new first vice president and vice chairman of the board. New divisional vice president is J. J. Swick of Copeland Sausage Co., Alachua, Fla., who is seated third from left in second row. Southern division set next regional meeting for Friday and Saturday, Nov. 1-2, in Roosevelt Hotel, New Orleans.

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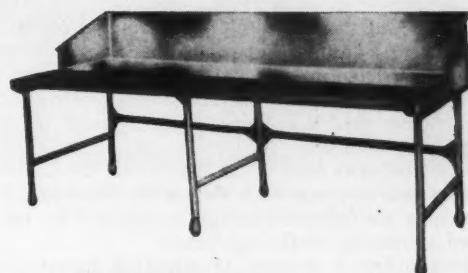
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prerogatives with a statement to the effect that the list is not intended to be anything but illustrative.

Without attempting to give advice as to which, if either, of these approaches should be used in recording a management prerogative provision in an agreement, let me suggest that management's interests lie in the direction of considering the possible interpretation thereof that might arise in an arbitration case.

Management should consider the potential results that may occur if a listing of management prerogatives might be interpreted by an arbitrator as requiring mutual consent by the union for any other action contemplated by the company that is not specifically referred to in an agreement provision.

Many arbitrators hold to the theory that management's rights to take any actions it desires in the operation of its business are unlimited except as qualified by the expressed provisions of the agreement.

Others follow a practice of requiring management's actions to adhere to the written provisions of the agreement and to disallow anything they do not find support for in the agreement.

The parties can best steer the arbitrator into their own channel of thought by the way they word the management clause. It follows that they must be extremely careful in arriving at their understanding on this point, and even more exacting in the manner in which they record that understanding.

If a company negotiates agreement provisions with which it can live, it has little to fear from adverse arbitration decisions. But many company negotiators agree to the inclusion of provisions in their agreements of which they have little or no understanding, or which they hope will not prove as onerous as they first appear.

The rude awakening comes when such provisions are subjected to arbitration and the company becomes aware of the actual content of the bargain. In such a case, the company does not lose an arbitration case; it just has brought home to it the full realization of a bad bargain that it should not have made in the first place.

Arbitration is not to blame when it requires a company to live up to an understanding in which management has surrendered some of its rights by agreeing to an agreement provision with which it will find it most difficult to live.

Clear writing of unambiguous agreement provisions:

I cannot say how much of my income these past 20 years has come from negotiators' inability or failure to express their understandings in clear and unambiguous wording, but I am certain that it is most substantial.



BENCH RESTING—Left to right: John C. Bulger, Manhattan Refrigerating Co., N.Y.C.; Connie Smalen, Foran Spice Co., Milwaukee; Joe Hardy, Huron Div., Hercules Powder Co., Chicago, and Sam Cohen, Superior Provision Co., Massillon, Ohio.

Many grievances will never occur, and arbitration cases will be kept at a minimum, if parties will but take the time, or use the talented assistance of legal counsel, to express the meaning of their understandings in language subject to but one interpretation. Company wins in arbitration will ordinarily be facilitated by carefully worded agreement provisions.

Of course, there are certain understandings that are expressed in purposely ambiguous terms, because clarity in such instances would cause objections to the agreement by one or the other party or to certain of their constituents. The very vagueness which the parties include in their contract may be the factor which made the agreement possible.

In such instances, the parties probably embrace these vague provisions when they know they cannot agree on more precise statements in their agreements, and they prefer to take a chance on future application and interpretation of those vague provisions, rather than to break up in total disagreement.

Thus, the stage is set for arbitration. But the parties to any agreement would be well advised to keep their purposely ambiguous terms to an absolute minimum.

AMBIGUITY A DEVICE: Ambiguity occasionally is a device used by one or both parties to permit further collective bargaining on a particular agreement provision. In their negotiations the parties may have different opinions concerning a certain matter and then reach a recorded understanding which might well be interpreted to support either of their positions.

Through the grievance procedure and arbitration, one or the other of them may seek a decision which supports their own version or intent in the matter, but which cannot possibly resolve the point on the basis of the meeting of the minds of the parties, because there was a meeting.

Such an extension of the bargaining procedure into the arbitration function is a prostitution thereof, not practiced exclusively by either management or labor.

Some ambiguity may be caused by the rush of the parties in negotiations, some by inexpertness in clarity of expression, some by plain sloppiness.

But still other ambiguity is engendered by the attempts of one or both parties to express too much in one agreement provision. As a result, parts of agreement provisions will often appear to, and sometimes actually do, conflict with other parts thereof.

Still other over-ambitious expressions can lead to much trouble, like the promotion provision that begins, "Seniority shall be prevailing in promotion among those employees of approximately equal ability, merit, and capacity."

Above all, the agreement provision in which ambiguity should be avoided is in the understanding expressing an area in which arbitration is to apply in the resolution of day-to-day issues that arise between the parties. The understanding as respects arbitration can extend over an extremely wide latitude. At the one extreme is the unrestricted or unlimited arbitration clause that reads:

"Any grievance, dispute or difference arising between the parties during the term of this agreement shall be subject to arbitration."

Nearer the other pole is the type of restricted or limited arbitration clause which reads:

"Unsettled grievances or disputes involving the interpretation or application of the agreed-upon provisions set forth in this contract may be submitted to arbitration by either party. The arbitrator shall have no authority to add to, subtract from, or modify any provision of this agreement."

I do not mean to urge that the parties to an agreement

should use the restricted or the unrestricted type of arbitration provision. I only wish to point out that in this provision the parties have the power to make arbitration as extensive or as circumscribed as they mutually desire.

When they decide to use this power, they should do so with as clear writing of unambiguous language as they are capable. Above all matters in their agreement, what the parties intend to impart in this provision of the agreement should not be left to the decision of the outsider, who must function under this understanding.

What is the proper administration of the agreement?

Usually an agreement is negotiated by the big guns of a company. When these men are finished, it is necessary that they pass on to lower levels of supervision the meaning of new contract provisions so that a sound basis for administration of the agreement can be established.

Meetings, between top management officials and the lower strata of supervisors who will have to apply the agreement in daily situations, will help to pass on explanations of new agreement provisions, of concessions that may have been made to or by the union, or of areas not covered by the agreement.

At the lower levels of supervision, then, it is necessary to establish a knowledge of contract provisions to build a foundation on which the agreement is to operate.

WHAT IT TAKES TO WIN: With a sound foundation and administration of the agreement, arbitration wins by the company will be a more usual occurrence.

A significant way in which an agreement can be administered smoothly, without a dissipation of its meaning or content, is to divide the right of administrative decision between the lower levels of supervision and top industrial relations management in an effective manner.

The responsibility of major administrative decisions, or the initial ones concerned with a new agreement provision, should certainly remain with top industrial relations executives. But the day-to-day administrative decisions that must be made within reasonably well defined channels cut out by prior administrative decisions, are well left to lower levels of supervision.

A member of lower supervision is not a very effective representative of the company in meeting with union representatives to apply agreement provisions to specific factual situations if he is required to check upstairs to secure approval of every contemplated administrative decision.

Top management can aid materially in the effective administration of an agreement if it designates clear areas of responsibility to lower levels of supervision.

The training of supervision in grievance handling and grievance settlement can be of material aid in the administration of the agreement and the attainment of wins in arbitration.

Grievance manuals for companies large enough to support their use encourage consistency in the application of the company's basic policies with recognition of the impact of the agreement thereon.

If the supervisors are well informed as to what to look for, to record, to support with on-the-spot observations and evidence, management is much better able to make an effective presentation of an issue if it goes to arbitration months later. The greater potential of winning such a case is obvious.

How can you settle cases in the grievance procedure?

It can be safely said that every grievance is settled better by the parties than it will be if it is submitted to arbitration. When the parties settle a grievance, they can reach an understanding, possibly by compromise, that is mutually acceptable through the process of collective bargaining. Usually the opportunity for a mutually



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satisfactory solution, for compromise, ceases when the issue is submitted to arbitration, for arbitration except in rare and unusual cases is not an extension of collective bargaining.

The parties to an agreement should recognize that a compromise settlement between themselves on some issues may be far better than taking a chance on what the arbitrator will do.

Without getting involved in matters of nomenclature, I feel it imperative to observe that the grievance procedure evolved by the parties to settle their daily problems should be set up only after the most careful thought. The structure of the grievance procedure should be such as to permit a given problem to be handled by successive increases in adjusting the power to some final authority all designed to settle the grievance as early as is feasible in relation to its significance.

The number of stages or steps should be sufficient to care for the structure of the company and of the union, but should not be so detailed as to militate against prompt disposition of problems.

It is useful to make the various steps certain as to time during which the respective parties will be required to give their answers to successive settlement suggestions.

KEEP DELAYS TO MINIMUM: Grievance procedures that involve long delays will often permit minor difficulties to assume proportions of major concern. If delays become common, a wave of distrust and dissatisfaction with regard to the handling and settlement of grievances will soon make itself all too evident.

But the urge for early settlement of grievances should not be overdone, for it must not be forgotten that grievance settlements, the addition of flesh and blood to the body of which we have spoken, establishes binding precedents. There is agreement-making in grievance settlement whether by a supervisor, the industrial relations director, or the arbitrator. Thus, care must be taken that in encouraging early settlement of grievances through the grievance procedure, the company's prerogatives and protections are not weakened or dissipated.

The function of the grievance procedure in proper settlement of issues will be encouraged if supervision and management develop a capacity to back off of a position proved wrong or held for policy needs of the moment.

Local union officials will gain greater respect for management personnel who do not doggedly adhere to untenable positions, and management's chances of gaining better settlement of meritorious cases will be enhanced accordingly.

Unsupportable positions taken by management will

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usually be discovered by the arbitrator, and a much greater number of stratifications of management may lose faith by being reversed by the arbitrator than would occur if the first level of management that detects a vulnerable or untenable position would reverse lower supervision and settle the grievance.

Settlements of grievances by the company will reduce the number that will be submitted to arbitration and will increase the company's proportion of wins to total cases arbitrated.

I will touch briefly on preparation for arbitration:

If a grievance cannot be settled through the grievance procedure and must be presented to arbitration, much must be done in preparing the issue for an effective presentation that will do justice to the company and to the persons responsible for its presentation. The number and proportion of wins will be greatly enhanced by proper preparation for arbitration.

At this point, I would rather use my time in making brief reference to more suggestions than to elaborate on only a few. These are as follows:

1. Have supervision record facts on grievances as early as possible. Don't depend on fallible memories to tell months later what happened at the time a grievance situation occurred.

2. Encourage lower supervision to divulge all important facts in preparation of a case. Some may hold back in fear of being thought inefficient. If not divulged by management, the fact might be cited by the union, and the arbitrator may attach key significance to it far transcending its real importance.

3. Gather, analyze, and prepare the facts and evidence on the issue for reasonably succinct presentation to the arbitrator. A written presentation is usually helpful, though not always required. A written presentation of all pertinent facts makes more certain that the arbitrator will understand the issue and the company's position thereon.

4. Prepare your case to acquaint the arbitrator with all pertinent facts as quickly as possible. Most grievances protest a management's decision. It is, therefore, management's responsibility to reconstruct for the arbitrator the entire surroundings in which the decision was made. If management does this too sketchily, the arbitrator's decision will be made with only a partial knowledge of the circumstances that caused management's original decision.

The arbitrator's partial ignorance of the surrounding facts in such a case is entirely management's fault. A loss of a case arising out of poor preparation is to the disadvantage of all parties to the arbitration process.

5. If citations of other arbitrators' awards are to be used, they should be chosen with great care. Many arbitrators are not impressed by arbitration precedents unless they have direct application to the company and the union concerned.

CHOOSE CITATIONS CAREFULLY: If cited quotations are out of context with the main theme or result of the case, it may be attacked by union representatives with a resulting doubt being cast upon management's entire position on the issue at hand.

6. Past practices precedents established through prior grievance settlements, or references to arbitration awards having direct application, are especially helpful. Arbitration has evidenced a developing tendency to look to practices and precedents to determine the meaning of agreement provisions rather than to concern itself solely with contract language. This tendency is ignored by management, at its peril, insofar as arbitration results are concerned.

Here are ideas on presentation in arbitration:

Here, again, I would like to be brief in my explanations to increase the number of suggestions I can make in trying to aid you in making effective presentation of your cases in arbitration. Here, of all points I have mentioned, it should be extremely clear to management that many meritorious cases that should be won by a company can be lost. I cannot stress effective presentation of cases in arbitration too seriously.

1. Start with a frank and reasonably thorough statement of your position on the case, with any support by witnesses or documentary evidence to be made later. This approach orients the arbitrator with your position and aids him in understanding the evidence and arguments that will follow.

2. A written presentation or an oral one made from a prepared outline, will aid the arbitrator and make certain that you have thought through the case to leave no important points unmentioned.

3. A clear statement of the issue, as the parties understand it, if they can agree, or as the company construes it, if the parties cannot agree, is an important point to establish early in the arbitration proceedings.

Ofttimes the parties cannot agree upon a statement of the issue, and if they were able to do so, the matter would not be before the arbitrator. In such cases, it is the company's responsibility to formulate its concept of the issue, cite the contract provisions on which it relies in defining its position, and round out the total picture of the case which should be helpful in gaining the arbitrator's resolution of the grievance in its favor.

4. Designate a spokesman who will make certain that your position will be presented in an orderly and effective manner. Slip-shod presentations most often arise as a result of too many persons having too much to say about too few of the important facts in connection with an arbitration case.

5. Try to keep the presentation of facts and evidence separate from arguments based on the facts and evidence. Present the facts and evidence early; argue on them later. Confine your arguments to presentation to the arbitrator. It is too late to argue with the union representatives. It is only the arbitrator who must be persuaded by your arguments as to the merits of your position. Do not waste time and incur expense by needless argument with union representatives before the arbitrator.

6. Choose witnesses and evidence that will be effective in supporting your position but which will not cause needless and time-consuming repetition of the same points. An arbitrator is usually impressed by a fact supported properly by a witness or evidence. Unnecessary repetition serves little and may detract from your overall presentation.

7. Do not withhold pertinent information until a dramatic spot arises for its presentation in the arbitration hearing. Most arbitrators will insist that the whole deck of the case be laid face up early in the grievance procedure, with the trump suit declared before the case gets to arbitration.

NOTHING UP THE SLEEVE: No jokers or aces up the sleeve of the company representatives will influence the game before the experienced arbitrator, and may result in the case being returned to the parties for their further consideration. Lost time and expense can be saved by divulging all important facts, evidence, and argument before arbitration.

8. Remember that when parties differ in their contentions concerning the facts, you should have persons present at the arbitration hearing who can give first-

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hand testimony in support of your version of the facts. Management should not depend for support of its version of the facts merely on the argument that involved employee or employees are self-serving in their statements or contentions as to the facts.

9. Respond to all major statements of fact and argument presented by the union with which you do not agree when given your turn to do so by the arbitrator. Notes taken on written and verbal statements of union representatives at the hearing will be helpful to you in presenting your rebuttal.

The arbitrator cannot be sure of the possible inaccuracy of a contention concerning an important fact presented by the union unless you raise the point. If you do not do so, the arbitrator will in all probability accept that statement of fact as supported testimony and may consider it as a significant factor in the determination of his decision.

10. Confine grievances before the arbitrator to the form in which they originated. Do not make grievances the vehicles for testing or applying circumstances that change subsequent to the institution of the grievance.

11. Do not depend upon the laws of statistical averages to win cases in arbitration. A company that allows some bad lemons to go to arbitration with the expectation of losing them to improve its chances of winning the one important case in the batch, takes a chance that the arbitrator may conclude that there is something of a bad lemon about all of the cases. A bad lemon might not spoil the whole crate, but it certainly makes the crate smell bad.

12. Avoid scenes, dramatics, indictments of the union, badgering of employee witnesses, and personal abuse or vitriolic denunciation of persons on the opposite side of the arbitration table. Such questionable procedures never give status to a poor case before an experienced arbitrator and may detract from a case of real merit.

Above all, such procedures may have a permanent adverse effect upon the relationship between the parties. The winning of a single arbitration case at such a cost cannot be justified.

Let me speak about living with arbitration results.

After you have prepared and presented your position on an issue to the arbitrator, you must somehow learn to stomach and live with the arbitrator's decision at least for the duration of the existing agreement and until the next negotiations present an opportunity to change your agreement to vitiate the findings of that decision. Your company has usually agreed that the arbitrator's decision will be final and binding, and you must accept that decision and live with it.

A decision that overrules management, or which does not agree with management's interpretation or application of an agreement provision in a particular case, does not reflect on management, prove it inefficient, point to it as a ruthless taskmaster or as a labor-baiter. It means only that the arbitrator was more persuaded by the union's arguments than by the company's arguments.

The arbitrator's decision may be patently in error, may be based upon impartial ignorance, may disregard important evidence or argument, and to the losing party this decision may be wholly absurd. But the decision is still right because the parties have agreed in advance to accept it as a final and binding settlement of their dispute instead of taking the chance of a settlement imposed through a strike or a lock-out.

Therefore, if management desires arbitration to continue as an effective substitute for strikes and lock-outs, it must develop a capacity to lose in arbitration.

Arbitration decisions should be studied by management

for guiding principles to enable it to take proper steps to avoid like grievances in the future.

STAFF SHOULD STUDY DECISIONS: Some companies index and follow the decisions carefully. Some make them the agenda for study in staff or supervisory meetings. In some fashion, their content is communicated, possibly by duplication or inclusion in plant publications, to all levels of supervision that might be involved in comparable situations in the future.

Proper use of arbitration decisions to avoid future difficulties is not reconcilable with the attempts of some companies to take a second cut at the ball in an effort to have the decision reversed by the same or by another arbitrator.

Some management representatives who seek reversals through continued submission of the same issue to arbitration seem inspired by a desire to win arguments or to gain personal prestige instead of trying to solve problems. If they win the reversal, and it can work for both parties or for either, they may eliminate all precedents for solving any kind of situation in the future.

In conclusion, I would like to make a summary statement. The winning of arbitration cases by management, the proper solution of problems symptomatic of forms of discontent and not arguments to be won, starts with the collective bargaining process in which management must secure understandings with which it feels reasonably certain it can live.

Next, wins require clarity of expression in recording in unambiguous language the exact area of each understanding of the parties, with special care in expressing the provisions dealing with management rights and with arbitration. Proper administration of the agreement with appropriate division of responsibility for administrative decisions that encourages settlement of grievances as early in the grievance procedure as is feasible, will enhance the chance of wins by management because the number of cases coming to arbitration as a result of missteps, or agreement misinterpretations by management, will thus be substantially reduced.

Management's winning score in arbitration of the cases not otherwise resolved, will be improved substantially by careful preparation of its case with all pertinent facts determined in advance and made ready for presentation.

Further, the wins can be expected to follow most readily on cases presented succinctly in all important particulars, supported by evidence and argument that paint a picture for the arbitrator of the complete surrounding circumstances, including the agreement provisions within which management made its protested administrative decision.

Finally, wins can be converted from apparent losses, not by seeking a reversal through further arbitration proceedings, but by benefiting from the principles of an apparently adverse decision to avoid future controversies of the same nature.

Wins or losses in arbitration are quite secondary to a recognition of the true function of a grievance procedure, with arbitration as its terminal step, in enhancing the soundness of any labor-management relationship.

When a desire for arbitration wins by both parties gives way to a mutual recognition of the fact that the true aim of a grievance procedure is the solution of common industrial problems to the mutual satisfaction of all concerned, then and only then will the labors of the contract negotiators bear full fruits of establishing a continuing sound relationship, free of industrial strife and warfare and supporting the future economic well-being of the company, its stockholders, and the union and the employees the union represents.

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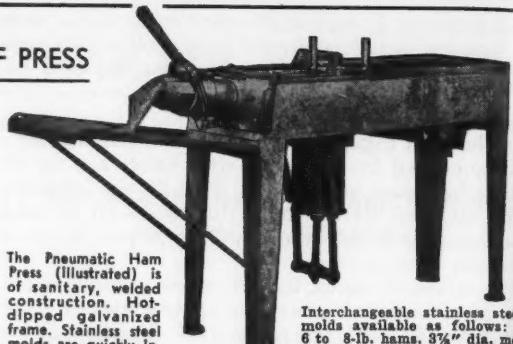
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14 to 16-lb. hams, 5¾" dia. mold



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Employees—How We Keep 'Em

Don't Overlook Human Element in Relations with Plant Workers



Cautions Houston Packing Company's D. J. TWEDELL

TODAY, I want to talk about attitudes and things that affect workers and management, foremen and supervisors, and how we, as management, can better ourselves.

It is unfortunate that many in management tend to overlook the human element. It is understandable to some extent, however, when we think of the pressures of modern-day business and management's struggle to achieve a successful competitive position to turn a profit.

The term human relations is believed by many to mean only employee or worker-level relations. But what management, its supervisors and foremen sometimes forget is the fact that there can be no distinction between human behavior or actions, regardless of whether people are big wheels, little wheels, or no wheels within the organization. Basically, people have human needs and interests, problems of adjustment, recognition, etc., no matter where they fit into the work structure.

Good human relations must begin with the desire to treat other people honestly, fairly and with consideration. For example, in the case of hiring new workers, good human relations should start immediately with the person handling personnel, whether it is a personnel specialist hired for this purpose, in addition to handling other personnel problems, or in small organizations whoever may be delegated this authority. Usually, someone in the office will take the new worker to his supervisor.

Everywhere along the line, new personnel should be made to feel at home in a friendly, sincere manner. His adjustment is difficult enough without putting obstacles in his way. Good supervision and foremanship at this point can go far toward making a good man for your company and insuring good capable men for the future of your business.

Many of us fail and fail badly in inducting new workers into our organizations. Formal induction procedures are no substitute for the foreman's real interest in the new employee as an individual and his real understanding

of the problems a new employee faces in learning the job, getting acquainted with fellow employees and adjusting to unfamiliar surroundings.

Some old-timers may say: "They can get it like I got it, the 'hard way.'" Nevertheless, why not do it the best way, when we know the chances of gaining a reliable, happy employee are greatest?

Over the past years many potentially good meat packing personnel prospects have gone to other industries because of poor indoctrination. The days of you-have-to-do-this-or-else are out, even in the meat business. As one worker put it: "They say you gotta do this and gotta do that, and gotta cooperate, when all you really gotta do is die."

You can't force efficiency on people and make it last. Why do we hear in our own industry that such-and-such a firm is a good company to work for? Wage scales may be the same, working conditions similar, but the real difference, of course, lies in people or good human relations of one company against another.

TREAT OTHERS FAIRLY: I want to repeat that good human relations begin with the desire to treat others honestly, fairly, and with consideration. This is true of everyone connected with the organization, but we must remember one important thing and that is that good human relations begin at the top management level and should be carried down through the organization. It must work from the top down.

There is no magic formula for this problem of having high morale and good human relations in a plant. It must be fused into the outlook and spirit of management, so that management and supervisory behavior will reflect the attitudes and point of view on which it is based.

It is readily seen and realized then that one of the most important problems of management is the building of cooperation and teamwork within the entire organization in order that the efforts of all personnel, from top management down the ladder, are not wasted in conflict, but rather are directed toward getting a good job done.

The real strength of any business organization is to be found in its people. The company that can mold people into a cooperative and loyal team can hold its own competitively.

Therein lies a big problem since the question arises: Should the needs of the organization meet the personal interests of the employees, or should they be expected to forsake their own interests to the overall requirements of the organization?

From here on in many organizations, the problem has been tackled in many different ways. We can probably say that most managers feel sincerely that the demands of business are based practically in their entirety on economic considerations, since the company is organized to achieve certain economic goals.

Whether or not workers like what they are required to do, they must cooperate; otherwise, the business will fail. It is true that your business must meet the demands of



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a competitive world. If we fail to put aside individual personal interests to these demands, we can run into serious difficulties.

This rather cold-blooded economic view of management, however, cannot dismiss or eliminate the problem of gaining cooperation or achieving high morale in your organization. Most management people recognize that the economic view of employees bearing all of the burden of adjustment is not enough to solve the problems of present-day human and industrial relations.

Thus, some have conceded this fact and have gone all out for so-called paternalism.

On the extreme side, we have even seen one case in which a company has given all employees with over one year of service a new automobile. Also employees are given various benefits, such as bonuses, recreation programs and parks, improved working conditions, etc.

From the standpoint of management's interest these are all wonderful but, generally speaking, they do not and cannot in themselves achieve the ends for which they were designed, namely, building good will, loyalty and cooperation. You can't buy a worker's loyalty, and, judging from the experiences of some companies—big and small—this same paternalistic view has even created more resentment than good will.

WELFARE PROGRAMS: Instances have shown that workers feel some welfare programs are an intrusion upon their personal lives. These same welfare programs are also used by some managements to win good will and loyalty by meeting employees' personal needs. However, studies seem to show that whenever management tries handling its employees' personal problems, it creates a group of dependent people who are unable many times to solve their own problems.

The above may sound like management can't win regardless of what it does but this is not true. Actually, management's real work in regard to a worker's interest, good will, cooperation and high morale, is to create and maintain, build and keep the kind of organization in which the employee himself can satisfy his own personal needs and ambition.

Thus, do not satisfy his needs for him, but provide the kind of organization and environment in which he can do it for himself. We can truthfully say that good morale and cooperation then are not a result of any one thing, such as high wages or employee benefits, etc., since in themselves they do not create these desired results.

If all other indications by management are those of concern for the employees' welfare, then these benefits alone will not make for a healthy human atmosphere in the plant.

All foremen and first-line supervisors are very closely

related to employee morale. Generally speaking, the attitude of top management is reflected to the worker level by these people. That, of course, is why we begin by saying that good human relations start at the top, but supervisors and foremen must play an important part. How well this is done depends to a great extent on top management.

We know that it is easier to achieve high morale in small plants, because of more personal contact between all levels in the organization. Individuals can better understand their part; and problems of communications, etc., are much easier. For example, workers often switch jobs, and this has proved also to have a tendency to improve morale and productivity in a plant.

Management, then, is the key to the type of organization which will be conducive to high morale and productivity. The manager who relies on people rather than a system will have a much better organization from a human relations angle, and also a productivity angle. If the original ideas of management are sound, the thinking of the entire organization will be the same. If the ideas or behavior pattern are wrong, the trends in thinking and attitude throughout the organization will be wrong.

Now, you may say the things I have said here are all theoretical. That we, in management, know these things. I agree with you, but how many of us practice what we know, and carry it through our day-to-day problems in the organization? It isn't exactly what you know, even in dealing with people, that is important. What really is important is what you do. That is what really counts in human relations.

This sounds very simple, but I want to stress it because it is a serious problem in dealing with people and if management, front-line supervisors and foremen can deal with people honestly, fairly and with consideration, then you have gone far toward accomplishing the desired end result of cooperation, loyalty, and high morale. We all know the meaning of the word "tact," but how many of us are really tactful in our face-to-face contacts with other people?

It boils down to thinking a little about the other person, and realizing he has his problems also, and needs your help with them.

FOREMAN THE GOAT: For instance, we are all prone to make foremen take the blame for many failures that are actually the fault of top management. Never forget that foremen are your front line of communications for dealing with your employees.

A recent survey of 80 companies attempted to find reasons for the failure of foremen:

I. Management weaknesses in this respect are in order of frequency: 1) Inadequate training; 2) Improper selection or placement; 3) Failure to outline responsibility or what is expected; 4) Lack of performance follow-up and counseling by his immediate boss; 5) Weak communications, and 6) Too small incentives, financial and otherwise.

II. Among foremen, the following were the weaknesses in order of frequency or importance: 1) Poor personal relations with workers, or other management people; 2) Individual shortcomings, such as lack of initiative or emotional instability; 3) Lack of management understanding and attitudes; 4) Unwillingness to spend time and effort to improve; 5) Lack of skill in planning and organizing work, and 6) Inability to adjust to new conditions. The meat business is full of these.

What were the final conclusions of the researchers on this one? Naturally, they toss the ball right back to middle and top management to improve, because that is where improvement of foremen must begin. I do not believe I can stress enough in this human relations discus-



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sion the importance of good foremanship, not only from the standpoint of knowledge of their work, but from the standpoint of the intangible aspects of his job.

The difference between workers and foremen is simply that the worker produces something tangible, his work can be measured in terms of output and quality, but the foreman is more or less effective by reason of his ability to get work done through others.

How do most of us choose a foreman? By his ability as a worker, with very little consideration for his ability as a leader. Thus, we do not give enough attention to these intangibles, namely:

1. To think in terms of the work group, their welfare and personal satisfaction. Some research and survey men believe productivity could be raised 10 to 20 per cent by following this fundamental rule of human behavior alone.

2. A foreman must try to develop a spirited productive and cooperating team with himself as the captain.

3. He should be a good communicator, both up the ladder and down.

These things we may say are obvious, but again, we in management are sometimes lax in selection. All the employee benefits in the world will not raise productivity unless the rank-and-file worker believes that the company has his interest at heart. The foreman is identified by the worker as the company, and his attitude and behavior are also identified as the company or management. Therefore, we can conclude that foremanship training and leadership must play a big part in creating and maintaining the best climate or atmosphere in the organization.

LEAD INSTEAD OF DRIVE: It has been said, too, that one of the greatest advancements in management in recent years has been shifting of emphasis to leading instead of driving. This is the attempt, you might say, to inspire people to want to do their best, rather than demanding they do a set task.

We know, of course, that there is no set of rigid rules to guide us. Much depends on the individual. Sometimes we know driving is not only the best, but the only way to get the desired results on time. Some individuals respond better to driving than to leading, but the best foreman or manager will be a leader rather than a driver of those who work for him.

In fostering good human relations, foremen or supervisory personnel on every level would do well to give thought to some common observations that again may seem obvious but wherein so many of us fail. One, would be asking advice. We all hear a great deal about communication problems in the organization. Wherever possible then, let people in your organization have a hand in developing your ideas and actions. They will understand and work for them better. Good managers must know when to ask advice or consult, and when to make the final decision and go ahead.

Second, credit or praise when credit or praise is due costs very little, yet it can give men pleasure and pride in a job.

When criticism is due, make it intelligent and constructive.

Third, we come again to treating people honestly, fairly and with consideration.

All of this is training and teaching, and after all, training and teaching employees to work together toward achieving a common goal is management.

Before concluding, I want to report the results and conclusions of research with 200 management personnel. The researchers concluded that management fails to be more effective than it is because:

1. Too many listen only for what they want to hear.
2. Too many do not create the type of atmosphere per-



EXHIBIT HALL sellers and buyers just talking and listening.

mitting subordinates to express themselves freely and completely.

3. Too many fail to recognize the fact that their real strength rests not in themselves, but in the people they manage.

4. Too many permit distractions, petty irritations and prejudices to divert them from the main track in discussions of business problems with their associates and subordinates.

5. Too many fail to recognize the need for getting employees' complete participation.

6. Too many pay only lip service to the principle of two-way communication. Everything down, nothing up.

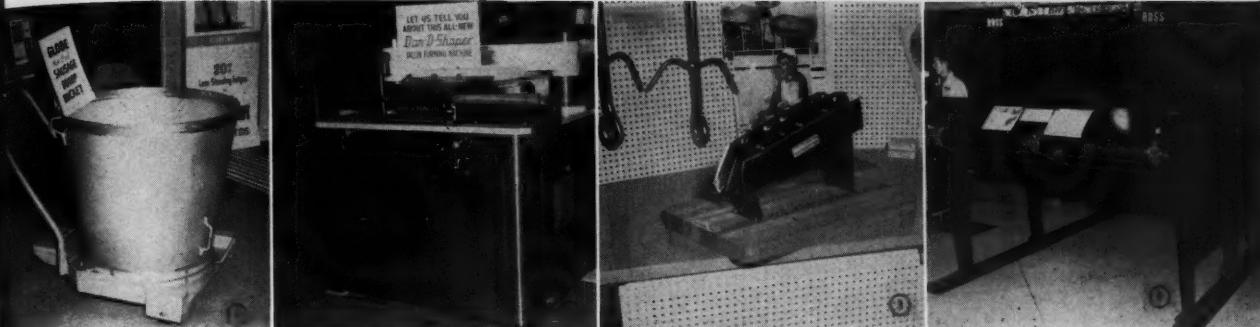
This research work involved all sizes of businesses, and cases involving large firms were similar to cases involving small business. In other words, the fundamentals involved in getting things done through people apply to all businesses, regardless of size.

The extent to which we can put into practice what we know will make better supervisors and foremen for us, and better workers for them since these actions and attitudes will filter through the organization.

The human relations aspect of business is very complicated, and it reminds me of a story of the gentleman who robbed a poor old blind lady on the street corner and came up before the hard-hearted judge. The judge gave him five years, and he cried before the judge and said: "Judge, I can't serve five years. My doctor said I only have a couple of years to live, and I just won't make it." The judge looked at him and said: "Maybe you can't serve it. However, I will tell you one thing; you can try."



AFTER A BUSY show, the exhibitors pack up and go home.



Equipment Review

The latest meat industry equipment taken directly from exhibits at the NIMPA convention by the NP photographer.

1. DESIGNED TO HELP AUTOMATE the sausage manufacturing operation, the dolly and mated bucket eliminate the need for shoveling or lifting in grinder-mixer-cutter movement. The bucket has a capacity of approximately 450 lbs. The bucket is wheeled under the grinder to catch the ground meats and is then moved to mixer or silent cutter. The bucket is then lifted by a portable hoist and emptied by a quick-opening sliding gate at the bottom. The Globe Co., Chicago.

2. NEW BACON PRESS features a quick width and thickness adjustment which is made with hand wheels against calibrated settings. Unit has wide range of versatility and can handle bacon slabs from 30 lbs. down to 5 lbs. Settings can be made from 15 in. wide by 32 in. long down to 7 in. wide by 16 in. long. Thickness is adjustable from 2 1/4 in. to 1 1/8 in. Top and bottom ironing action shapes bacon, giving better uniformity. Average shaping cycle is approximately 6 sec. A 10-hp. 1200 rpm motor powers hydraulic pump. Dohme & Nelke Inc., St. Louis.

3. A PORTABLE, LIGHT and simply constructed unit peels cellulose frankfurts semi-automatically. Operator pulls strand of frankfurts through machine which has a razor blade set in the bottom and rollers that provide pressure on top. Blade setting is adjustable for the diameter of casings being used. Setting is made by visual inspection. It is claimed an operator can pull-peel 400 to 500 lbs. per hour. The unit is made of stainless steel. Koch Supplies, Inc., Kansas City, Mo.

4. SLOPED MEAT SCRAP DRAIN pan automatically unloads meat scrap into a trough set underneath its discharge mouth. Unit has a series of drag bars that fissure the settled cracklings, facilitating the draining of fat from the cake. The drag bars sweep the pan clean. The speed of drag bar flight is matched to the capacity of the pressing equipment, permitting a continuous pressing operation. Sprocket wheel on

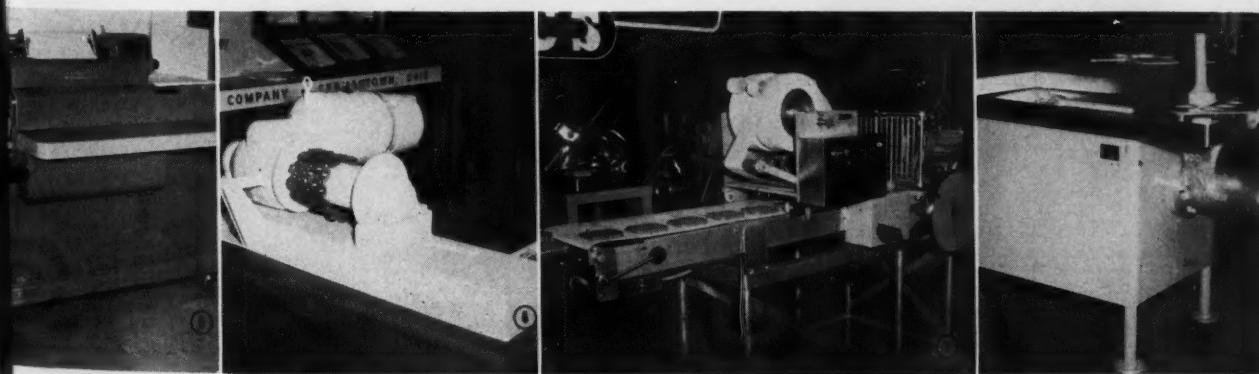
either side of pan assures a positive pull-through. Cincinnati Butchers' Supply Co., Cincinnati.

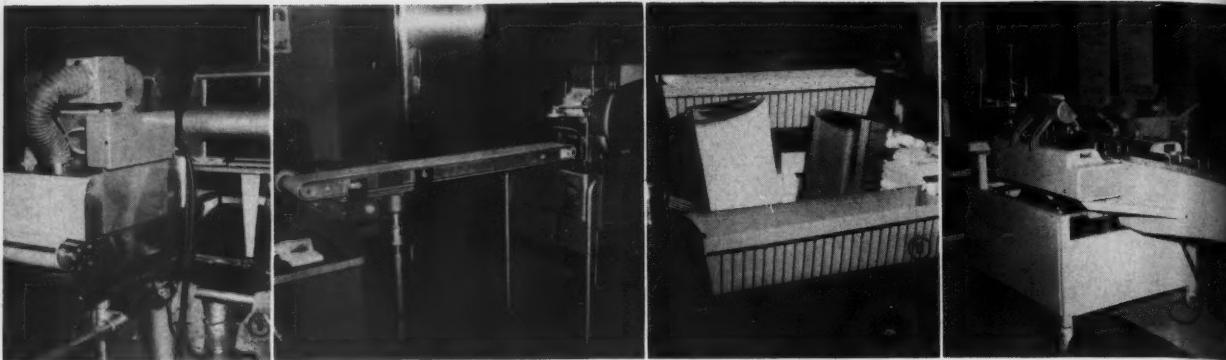
5. FROM PROPERLY CODED and classified cards, which are prepared by two other units, these accounting machines tabulate payroll, billing, sales analysis, and other data at the rate of 100 lines per minute. Machine crossfoot several totals from a group of cards and prints all totals in predetermined position. It prints the entire name and address on one card, eliminating chance of separating related information. Unit computes various factors such as overtime, incentive rates and straight time from one card. International Business Machines Corp., New York.

6. NEW HIGH-SPEED beef hoist can lift 2,000 lbs. 110 ft. per minute. The whole unit is mounted on two bearings and the motor requires no separate mounting as it is part of the assembly. Initial load is absorbed through torque arm. Motor shell is made of aluminum that aids in the dissipation of heat, permitting the motor to work at optimum levels. Unit can be mounted on narrow space. The Dupps Co., Germantown, Ohio.

7. INTERLEAVER PLACES SHEET of paper between slices of luncheon meats as they are sliced and stacked. The unit operates with a companion slicer and can interleave 100 slices per minute with a two-loaf slicing operation. The parchment paper comes in rolls and is cut to needed size. Roll holds enough paper for approximately six hours of operation. Cost of paper is estimated to be about 1/10¢ per lb. of product. Unit also can be used to place bottom paper only for various groupings of sliced fabricated meat. U.S. Slicing Machine Company, Inc., La Porte, Ind.

8. RATED AT 3,000 to 3,500 lbs. per hour, grinder features low loading height so it can be charged with a minimum of lifting. Large holding tray permits loading with sufficient





meat to operate the grinder at a constant rate. A special safety feature is the throat charging frame which allows tamping the meat with a lipped tamper that is restrained at the correct height by the frame. The rings in the frame permit tamping from any position. A deflector attached to front of the table guides the ground meat into container. Table top is stainless steel and the whole unit is enclosed for easy cleaning. John E. Smith's Sons Co., Buffalo.

9. NEW COMBINATION HOT plate and hot air sealer permits the production of a variety of package types with thermoplastic type films. Film is cut to size from reels located at either side of the conveyor. The product is wrapped in the film and bottom sealed on the hot plate. Package sides are shrunk by heat as they pass through the sealer. The unit can handle bacon, frankfurters, luncheon meat, butts, chubs, etc. Great Lakes Stamp & Mfg. Co., Chicago.

10. REDESIGNED PATTY MOLDER interleaves paper between the patties formed by the machine. Oversized hopper permits optimum operation of molder. Unit can form up to 2,100 patties per hour with close weight control in sizes of 4 to 16 patties per pound. Interchangeable molds are available for round, square and other patty shapes. Takeaway belt pivots to clear machine. Unit is powered by $\frac{3}{4}$ -hp. electric motor, weighing 180 lbs. It requires 26 $\frac{3}{4}$ in. x 18 $\frac{1}{2}$ in. x 27 $\frac{3}{4}$ in. of floor space. Hollymatic Corp., Chicago.

11. FIBREBOARD HEAT RESISTING pans eliminate the washing and storing of metal pans in baked loaf production. The pans are disposable. The exhibitor also introduced foil pans designed for the production of frozen loaves in family size for home use. Basic Food Materials, Inc., Vermilion, Ohio.

12. MACHINE TUCKS IN ENDS of frankfurter package and seals them to the bottom of the package. Packages which are bottom-sealed in a prior operation are fed into the machine and the arms (center) tuck in the ends and make a partial seal in a downward stroke. Deflector channel grooves then guide the tucks upward and the tucks are sealed as they pass over the thermostatically controlled sealer plate. Unit can be adjusted to standard frankfurter package sizes in a matter of minutes. The unit can seal two packages per cycle. Miller Wrapping & Sealing Machine Co., Chicago.

13. OPEN TOP CARTONS with locked corners are set up

semi-automatically with this unit which discharges the formed cartons onto a takeaway conveyor that leads to the packaging station. The knocked-down carton is placed on top of the mold frame and the forming die is air activated, forming the carton and pushing it through onto the belt. With the unit an operator can form approximately 30 cartons per minute. Oster Tool & Die Corp., Chicago.

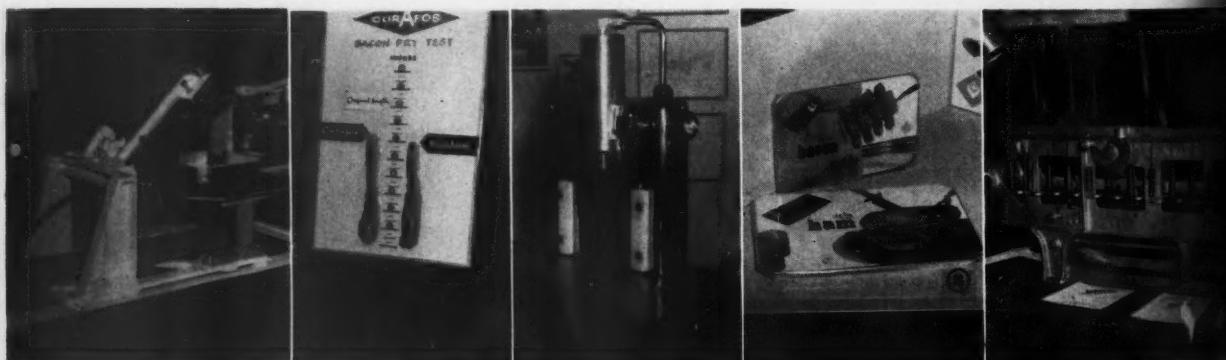
14. PHOSPHATE-TYPE CURING material added to belly pickle produces a bacon with a brighter color which takes a smaller shrink in frying. The cure is approved by the MIB for hams, picnics, and the approval for bellies has been requested. Calgon Co., Pittsburgh.

15. SHANK CLAMP HOLDS short- as well as long-shank hams. The unit can be fitted to any pickle pumping scale. The clamp is air operated and activated by a conveniently located handle. Clamping the meat during the pumping operation saves on pickle and speeds the operation. Teeth on clamp hold meat firmly in position. The unit is made of stainless steel. The Allbright-Nell Co., Chicago.

16. IDEAS IN READY-TO-eat foil pans were displayed. The pans offer the potential of merchandising such items as ham slices, bacon, smoked pork sausage, etc. in ready-to-cook form. The display also included foil packages of items that can be merchandised fresh-frozen, such as rump roast. Foil container can be used as cooking utensil. Ecko-Alcoa Containers, Inc., Wheeling, Ill.

17. UNIT TWIST-LINKS strands of natural casing sausage in any size from 3 in. to 7 in. in increments of $\frac{1}{4}$ in. With a 4-in. link the unit can produce 15,300 links per hour. Unit can be equipped with cut-off device that groups links in units of two for packaging. The unit will link casings from 16 mm. to 35 mm. in size. It operates with conventional current, is made of non-corrosive metals and is easy to clean and service. Allen Gauge & Tool Co., Pittsburgh.

18. DICING MACHINE WILL cut raw and cooked meat, offal products, vegetables, etc. Products are diced in a size range from 7/32 in. to 9/32 in. The knives are made of stainless steel. The machine stops after every cutting stroke, protecting wearing parts. The machine is powered by a 2-hp. 1,400 rpm. electric motor. The unit occupies 20 in. x 21 in. x 14 in. of floor space and weighs 660 lbs. Distributed by K. C. Seelbach Co., Inc., New York, N. Y.



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19. UNIT PRODUCES SMOKE by a friction process in which a high-speed hard steel disc revolves against the face of a log which is held in position by means of clamps and weights placed on top of a sliding holder. Shaved parts of the log are washed in water in bottom pan while generated smoke is filtered by water in upper pan. Unit can produce smoke for 20 cages. L. C. Spehs Co., Inc., Chicago.

20. ROTARY HOG SHOULDER tattoo has two rotary number wheels of five digits each and two interchangeable stationary digits. The tattoo mark is applied to the hog with a quick slap to the shoulder. The tattoo needles are dipped into an inking pad. Markings remain on the hog through dressing and cutting. Accurate knowledge on yields, bruises, etc. can be gathered. Everhot Mfg. Co., Maywood, Ill.

21. NEW SMOKE GENERATOR is sized down to meet the needs of a sausage maker using two two-cage houses or one four-cage house. A self-leveling arm feeds sawdust uniformly to smudging area. Exhausted smoke is water filtered to arrest sparks. The generator is equipped with automatic warning device which is activated by temperature buildup in smudge chamber. Julian Engineering Co., Chicago, and Meat Packers Equipment, Oakland, Cal.

22. ATTACHMENT FOR A TOWNSEND fleshing machine now can slash jowls when operating under federal inspection and eliminates the necessity of performing a separate slashing operation. The machine gives a better skin yield from jowls since the meat is flattened into a trough which automatically feeds the cut into the skinning blade. The unit can also be used on plates, belly strips, etc. Townsend Engineering Co., Des Moines.

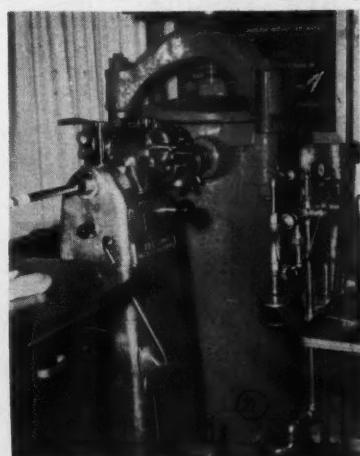
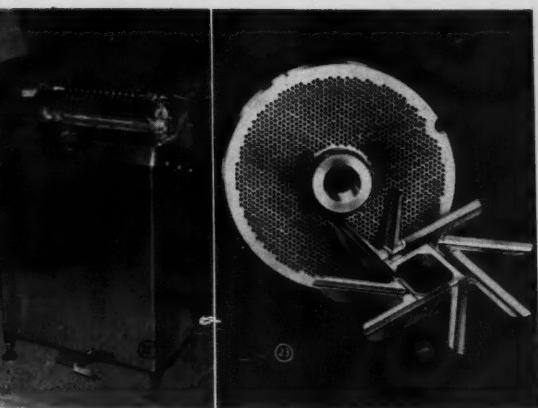
23. KNIFE AND PLATE combination gives cooler and cleaner cutting action, improving the color of pork sausage. The eight-blade knife and the $\frac{1}{8}$ -in. V-hole plate permit maximum production with any standard grinder. Knives are self sharpening and can be removed with screw driver. Speco, Inc., Schiller Park, Ill.

24. BREADING MACHINE FEATURING a level guide flow can handle all products without pre-freezing. Unit will handle approximately 1,200 lbs. of product per hour. Product is fed at rear where it passes downward into batter and is sprayed as it emerges. It then passes through breader where it is coated on the bottom by moving through breading and on the top by a sifter. It passes under two Neoprene rollers that press breading to meat. Sam Stein Associates, Inc., Sandusky, Ohio.

25. SPECIAL VALVE-TYPE lip seals prevent various contaminants from entering the bearing cavity of the wheel. Seal protects the wheel from condensation, brine, crackling dust, etc. Wheel has Timken bearings. Grease fittings provide a purging lubrication action. Swivel has the same protective features. Unit has rubber wheels for smoother ride. Wheel can be mounted on packinghouse portable equipment. Aerol Co., Inc., Los Angeles.

26. NEW SECOND TIE MACHINE permits the stuffer to tie the product with a metal clip. Unit is portable. The clipper head is foot operated. Clips are fed by a magazine that holds approximately 55. Stuffer does not have to wait for second tie. Vac-Tie Fasteners, Elizabeth, N. J.

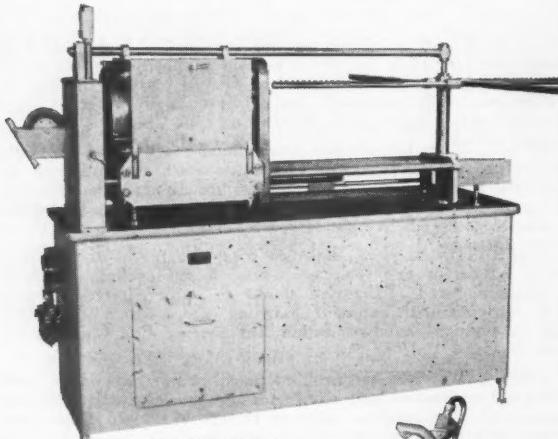
27. UNIT LINKS-NATURAL casing products to an exact weight from cocktail to 1-lb. size at the rate of 140 links per minute. The product is linked by twisting. While link size can vary slightly, weight is constant. The stuffing operation is simplified since no skill is required for casing feed-out. Unit is portable and can be used with any standard stuffer; it can be used to stuff larger ring or stick products. Weight adjustments are made quickly. Points in contact with meat are of stainless steel. Barlant & Company, Chicago, Illinois.



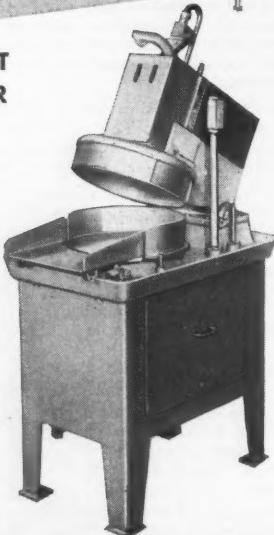
Check these advantages of
Kartridg-Pak

"TWIST-LINK" LINKERS

- ✓ NO STRINGS TO BOTHER WITH
- ✓ LINKS ARE UNIFORM IN LENGTH
- AIDS IN WEIGHT MAKING
- ✓ HELPS MEET HIGH PRODUCTION QUOTAS WITH GREATER EFFICIENCY



HIGH OUTPUT
DRUM LINKER



NEW VERSATILE
PAN LINKER

For full information
see your Kartridg-Pak
Representative

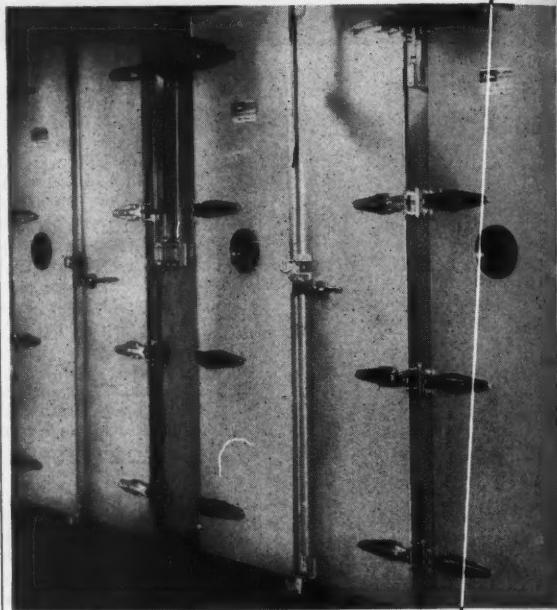
Kartridg-Pak's SAUSAGE STRIPPER
strips links completely.
No rehandling.

Kartridg-Pak Machine Co.

435 WEST SCOTT STREET, CHICAGO, ILLINOIS

**ATMOS modern
air conditioned
smokehouses**

. . . increase production, assure uniformity of product and actually cut the cost of operation. ATMOS means smoking, cooking and showering in one single operation . . . at a profit!



**CHECK THESE ATMOS
PROFIT-MAKING FACTS!**

- Minimum Shrinkage!
- Maximum Yields!
- Finest Uniform Color!
- Lower Operating Cost!
- Tremendous Time Saver!

ATMOS custom-built, modern air conditioned smokehouses are so scientifically designed and built for service . . . you can't miss!

**Get the
FACTS!**

At absolutely no obligation ATMOS will make a thorough survey of your smokehouse requirements. Call or Write today!

ATMOS
Corporation

1215 W. FULLERTON AVE. • CHICAGO 14 • EASTGATE 7-4240

Customers—How We Keep 'Em

What Suppliers Are Doing To Help

A Continuation from the first day's proceedings on page 76.

FRED SHARPE: The program makers thought it might be to the advantage of NIMPA members to have some of the industry's suppliers give us just a few words on what they are able to do to help us win and keep customers.

The first one on the list is Ted Meninga of the Kalamazoo Vegetable Parchment Co.

TED MENINGA: What I want to talk about is how lighting in the stores affects your packages at the time of purchase. We at KVP know that a lot of packages are designed which do not look just right in the stores. It is a lot like buying a suit of clothes; you believe you pick out a nice blue, but when you get it home the blue doesn't look like it did in the store.

Your wife goes downtown and buys a dress, and she comes home and is disappointed because the color isn't what she thought it would be. The reason is, of course, that materials look different under different lights. We realize that we cannot change the lighting in retail stores, but we believe we can do something about designing packages that will look better under different lighting conditions. We did a lot of research work with General Electric Co. and some of the leading suppliers of tubes and bulbs. In doing that research, we found that about 80 per cent of the stores and new supermarkets have lighting which is good. About 10 per cent of the stores have lighting which is perfect or almost perfect, and the

remaining 10 per cent have very poor lighting.

Now, our object is to produce packages that will look excellent under 80 per cent of the lighting, and look good under the other varying degrees of light. I would like to tell you what we have done in our program.

We equipped our sales department with different lighting and we equipped our art department with balanced lighting—as nearly like sunlight as we could possibly make it.

Then we equipped our press rooms with balanced lighting, and also with switches to supply illumination simulating other types of lighting. Our art department then started to design packages that look right under balanced lighting. However, before releasing them to our customers, we also check them under other types of lighting to be sure that while the package looks good under balanced lighting, it doesn't look poor under other lights.

In this way we are sure to bring you packages which look as good as possible under every type of lighting. Perhaps you have seen some of our advertising in THE NATIONAL PROVISIONER where we discuss some of these things.

It is important that the housewife see your merchandise at the point of purchase to the very best advantage.

We have done one other thing that we think will be of interest to you: We have made up several light sampling cases for our salesmen that allow us to change the type of

lighting by means of switches. You, as a customer, can inspect your packages under various types of lighting to see how they will show up in the various stores. Any NIMPA member who is interested in seeing a demonstration of how the various types of lighting affect his packages, or even his product, should get in touch with a KVP salesman for a demonstration.

LARRY CULLEN (Tee-Pak, Inc.): I will hit the highlights of our 1957 merchandising promotion.

We have grouped our entire merchandising effort under the broad title of "National Hot Dog Month," although many of the activities are of a continuing year 'round nature.

Our program is broken down into four parts: 1) Meat packer in-store point-of-purchase program; 2) Meat packer National Hot Dog Month ties; 3) National Hot Dog Month ties for manufacturers of related items, and 4) National Hot Dog Month publicity program.

Let's start with the meat packer in-store point-of-purchase program. For your in-store promotion, we have available our merchandise rack with plenty of room for your brand identification, with either backboard or dayglow arrows. We have in-store streamers, and we also have a 65-second film for use at outdoor movie theaters. The rack merchandiser is designed to fit into the open meat case so as to enable the store to merchandise high-profit related items, such as pickles, relish, mustard and rolls, which do not require refrigeration.

GEO. S. HESS

R. Q. (PETE) LINE

INDIANAPOLIS HOG MARKET

HESS-LINE CO.

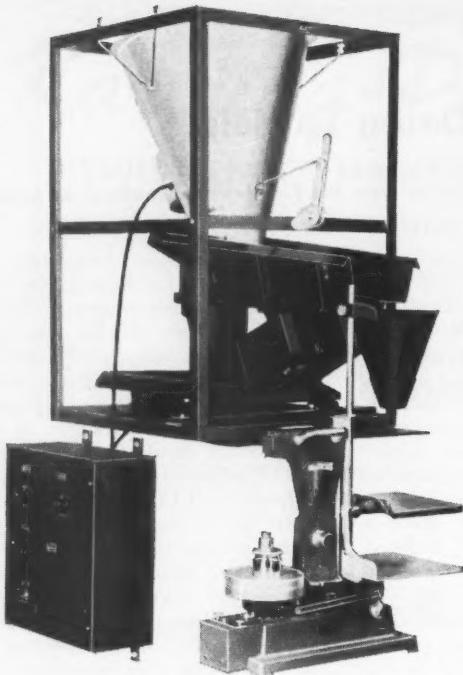
HOGL ORDER BUYERS EXCLUSIVELY

TELEPHONE MELROSE 7-5481

HESS-LINE CO.

**EXCHANGE BLDG. INDIANAPOLIS STOCK YARDS
INDIANAPOLIS 21, IND.**





Precision Weight Filling Machine for Packaging

This Exact Weight machine is ideal for filling any free-flowing material, such as dog food, into bags or boxes. Precision fill is assured by electronic controls connected with an Exact Weight precision scale.

Model 1001-FM-2-30, illustrated, is extremely flexible and will economically handle any quantity from a few pounds up to 25 pounds. Vibratory feeder with adjustable fast to trickle feed insures greatest accuracy on every package. Visible indication permits accurate check by operator to maintain constant weight.

Other Exact Weight machines are available with either automatic or semi-automatic controls. Write for complete information.

Sales and Service from Coast to Coast

ExactWeight
Scales

Better quality control

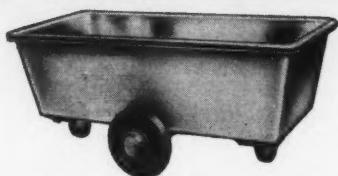
Better cost control

THE EXACT WEIGHT SCALE COMPANY

915 W. Fifth Avenue, Columbus 8, Ohio

In Canada: P. O. Box 179, Station S, Toronto 18, Ont.

STANcase STAINLESS STEEL EQUIPMENT



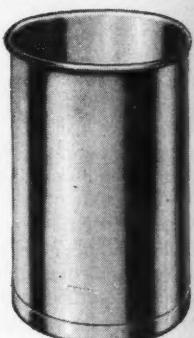
STAINLESS STEEL MEAT TRUCKS

STANcase STAINLESS STEEL MEAT TRUCKS have been carefully engineered to meet the requirements of modern plants for long-life equipment which can be maintained sparklingly clean and sanitary with minimum labor. There are five STANcase Trucks with capacities of: 225 lbs., 500 lbs., 800 lbs., and 1,200 lbs. Each model has been sturdily constructed of heavy gauge Stainless Steel. Specifications for all component parts are of highest quality standards.

**LONG-LIFE EQUIPMENT
FULLY APPROVED BY HEALTH AUTHORITIES**

Sanitary STAINLESS STEEL DRUMS

Ruggedly constructed for long-life service of 16 ga. Stainless Steel. Inside surfaces are seamless. Top rims are rolled over heavy reinforcing rods; foot rings are made of extra heavy Stainless Steel; both are closed all around, leaving no crevice where dirt or grime might accumulate. Available in three sizes.



Model No. 30—30 gal. cap.
Model No. 55—55 gal. cap.
Model No. 60—60 gal. cap.

COVERS AVAILABLE
For No. 30 and No. 55

All-Seamless STAINLESS STEEL TUBS

Model No. 98 — 56 qts.
Model No. 97 — 34 qts.
COVERS AVAILABLE

Ideal, sanitary equipment, seamless-drawn out of one sheet of 18 ga. Stainless Steel. The Stainless Steel foot ring and top rim are rolled over heavy, steel reinforcing rods and closed all around, leaving no crevice where grime might accumulate. Handles are Stainless Steel. Foot ring takes abuse of service; bottom of tub does not rest on floor.

WRITE FOR CATALOG

Manufactured by

THE STANDARD CASING CO., Inc. 121 Spring St.
New York 12

To better serve our western accounts . . .



New FIRST SPICE manufacturing plant in San Francisco!

Thanks to the rapid growth of business with western meat packers, First Spice Mixing Company, Inc., has added a new manufacturing plant on the west coast to better serve our western accounts. More and more meat packers are discovering the superior advantages in the use of famous First Spice products. To make sure they enjoy an uninterrupted supply, our new San Francisco plant has been fitted with the most modern machinery for grinding, mixing and processing of First Spice seasonings, spices and specialty ingredients.

In fact, our production facilities are great enough to serve all new accounts. If you still haven't tried First Spice products, we will be happy to send you a sample drum or complete details on any or all First Spice products. Please contact Ross Sandlos, our western sales manager.

President



FIRST SPICE
Mixing Company, Inc.

NEW YORK 13, N. Y. — 19 Vestry Street
SAN FRANCISCO 7, CAL. — 185 Arkansas St.
TORONTO 10, CANADA — 98 Tycos Drive

Sole Manufacturers of the Famous

FLAVOR-LOK — Natural and Soluble Seasonings

VITAPHOS — Phosphate Meat-and-Fat Homogenizer

VITA-CURAID — The Phosphate Compound for Pumping Pickle

TIETOLIN — Albumin Binder and Meat Improver

SEASOLIN — Non Chemical Preserver of Color and Freshness

No wetting...
No waiting...



**Just a press of the finger and
it's labeled with
Dennison PRES-a-ply***

**Look at the other unique advantages
that PRES-a-ply labels offer:**

- ✓ Clean, easy and labor saving.
- ✓ Adhere to a wide variety of packaging films.
- ✓ Broad choice of stocks including litho-coated, high gloss, foils, casein coated metallics, tag, acetate, latex impregnated.
- ✓ Available in a wide range of shapes, sizes, colors — Dennison-designed to fill your requirements.
- ✓ Available with permanent or removable adhesive.
- ✓ Eliminate the need for large inventories of pre-printed film.
- ✓ Long shelf life.

Dennison offers four convenient PRES-a-ply Dispensers — manual or electric. They are easy to load and operate. They speed labeling, insure against label spoilage.

For more information write

Dennison

DEPT. 181, FRAMINGHAM, MASS.

*Registered trademark for Dennison self-adhering labels and seals



tion. They are displayed just above the refrigerated sausage.

The stores like this rack for a number of reasons. It does not take away shelf space, but actually adds 3 ft. of selling area. It promotes multiple purchases and it is flexible. It can be used to merchandise other meat products, such as sliced meat, ham, etc.

We also have available 8x20 in. streamers for use in stores to keep your brand name before the consumer at the time she is making her buying decision.

Last year we produced a 20-second film clip that was used by a number of packers to promote the sale of hot dogs at outdoor movies. This year we have a 65-second colored film for outdoor movies. This film is designed to stimulate hot dog consumption by outdoor movie patrons. This film is given by you, the meat packer, to the outdoor movie operators to whom you are supplying product, or you can use it as a selling tool for new business. It is a non-commercial film so that the movie operator will run it at no charge.

This film is available with three different closing sequences. One of these features National Hot Dog Month. This ending, of course, can be removed from the film after National Hot Dog Month is over.

Let's look at part two: Meat packer National Hot Dog Month tie-ins. Although our company sponsors the period, it is in reality your program. It will grow only as big as you want it to grow. The more you can do in your local area to foster its celebration, the faster it will grow. It is an ideal promotional umbrella for you. We have designed a number of tie-in elements that you can use to promote National Hot Dog Month.

We have available 2-in. National Hot Dog Month buttons for distribution to your drivers, store personnel and others. We have available mats and cuts of all sizes for use in your newspaper ads. We have available a 2-in. sticker for use on correspondence, invoices, etc. The Pitney-Bowes Co. is making available to you, at low cost, a National Hot Dog Month symbol for use on your postage meter.

We also have available a 28x22-in. masthead sheet for distribution to your stores. It gives the stores eight different ad headings for hot dog promotion. We have sent this sheet by direct mail to 25,000 stores. You can also distribute it to your stores.

For mass impact, we have available a 28x28-in., two-color National Hot Dog Month poster. This poster

Schoettle

for the Best in
Folding Boxes...



The package that
brings home the bacon

The package that brings home the bacon must protect the product as well as attract sales. In packaging meat products flavor,

color and freshness must be preserved.

Schoettle paraffin cartons are marvels for

looks, marvels for protection. Precision waxing gives them high gloss, smooth feel, brilliance of color, makes them grease and

moisture resistant. Hot wax cartons, cold wax cartons, plain or printed, outstanding design, precision construction.

Call, Write or Wire

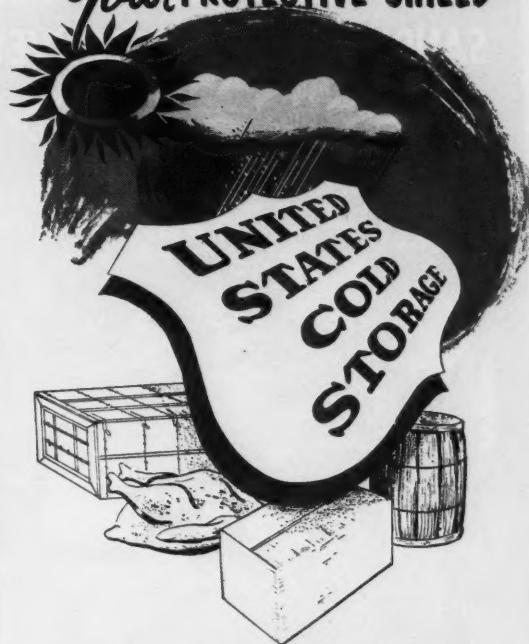
EDWIN J. SCHOETTE COMPANY, INC.

533 NORTH ELEVENTH STREET, PHILADELPHIA 23, PA.
Stevenson 2-2000

New York—225 West 34th Street—Chickering 4-2559
North Jersey—Pilgrim 3-6252 • Boston—Kenmore 6-1012

COORDINATED PACKAGING

Your PROTECTIVE SHIELD



CHICAGO 2055 W. PERSHING ROAD

DALLAS 1114 WOOD STREET

DETROIT 1448 WABASH

FORT WORTH 1101 NE 23rd ST.

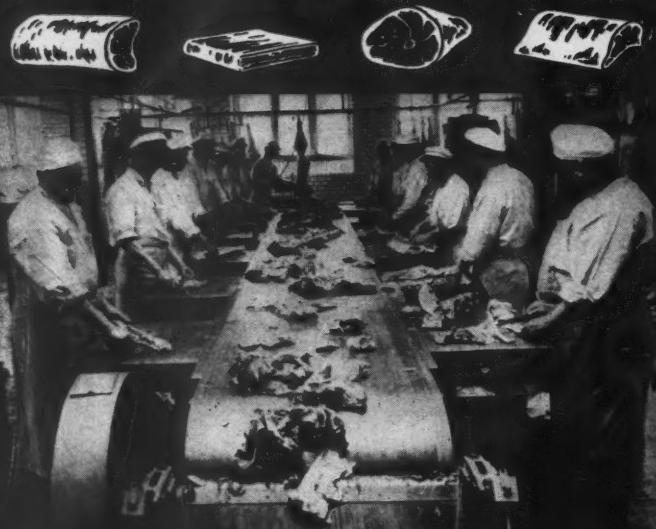
KANSAS CITY 500 EAST 3rd ST.

OMAHA 4302 SOUTH 30th

PORT LAVACA TEXAS P.O. BOX 176

**United States Cold Storage
Corporation**

This Pork Production Line Uses A SANDVIK Steel-Band CONVEYOR TABLE



Cutting up of dressed hogs is a continuous production-line operation on this Sandvik work table. Sides are sawed into large cuts at far end of conveyor and each man along line performs a specific subsequent operation.

CONVEYING WORK TABLES OF COLD-ROLLED STAINLESS STEEL IMPROVE PROCESSING OF MEAT, FISH, VEGETABLE AND BAKERY PRODUCTS

You can apply cost-cutting, mass production methods to your operation with a Sandvik conveying table.

Right now, Sandvik work tables are minimizing costs in operations such as bacon and frankfurter packing, chicken eviscerating, hamburger preparation, tenderizing, cake-icing and packing, ham-boning, pork rolling, fish filleting and packing, vegetable, fruit and nut sorting, etc.

Here are some reasons why:

- EASY TO KEEP STERILELY CLEAN—Live steam or boiling water can be applied directly.
- NO TASTE CONTAMINATION—A hard, smooth surface...no place for food particles to lodge.
- LONG SERVICE LIFE—High strength and resistance to time and wear.
- ENGINEERED TO FIT APPLICATION—Lengths to meet any requirements. Standard work table widths are 20" and 12", but special widths are also available. Correct working height can be arranged despite special floor conditions. Special, custom-built units also available.

Sandvik provides a complete engineering service . . . proposal, design, installation and follow-up.

For further information contact

SANDVIK STEEL BELT CONVEYORS, Division of Sandvik Steel, Inc.
1702 Nevins Road, Fair Lawn, N. J. Tel. FAIR LAWN 4-6200
IN NEW YORK CITY TEL. ALGONQUIN 5-2200
Manufacturers of Steel Belt Conveyors for Over 40 Years

55-73

SANDVIK
STEEL
BELT
CONVEYORS

can be used on trucks, for in-store display or as a window banner. It is an excellent piece for use on the backbar in soda fountains and lunch rooms.

To assist you in setting up your own National Hot Dog Month promotion in your area, we have designed a series of "How to Do It" promotional booklets. These booklets describe in detail how to run a promotion. They cover these subjects: 1) How to select a local hot dog queen; 2) How to run a hot dog recipe contest; 3) How to run a hot dog eating contest, and 4) How to manage a promotional campaign at an amusement park.

These promotion plans are not expensive or difficult to carry out, and their publicity value is tremendous. These booklets will be very helpful when you are setting up your July promotion.

We also have a complete publicity kit for use in your area. This kit contains press releases on hot dogs and National Hot Dog Month. All you do is retype the release on your letterhead, inserting your company name and personnel, and send it to your local papers. The releases cover a variety of subjects, from business to baseball. There are also two photographs for you to release over your name—one for the food editor and one for the general press. The kit is very simple and you can secure excellent publicity for your company at no cost except retyping.

Part three is National Hot Dog Month tie-ins for related items manufacturers. The more people we can get behind National Hot Dog Month, the faster it will grow. For the past two years, we have been working with a number of related item manufacturers to get them behind National Hot Dog Month. These are beverage, relish, mustard and pickle manufacturers and bakeries. As part of our work with them, we are sponsoring a contest for the best use of the hot dog in their ads. We are trying to encourage the use of the hot dog as the pictured item, instead of other food products.

We are also supplying these manufacturers with radio and television material on hot dogs and National Hot Dog Month for use on their shows. We are also cooperating with many of the major manufacturers in mutual publicity programs, and we will supply cuts or mats on National Hot Dog Month for newspaper or magazine advertisements.

These related item manufacturers can be of a tremendous help to the

meat industry in spreading the hot dog story.

Part four concerns the National Hot Dog Month publicity program. Here are the major areas in which we will work: national magazines, radio and television, editorial writers, traveling representatives, recipe programs, syndicated columnists, and National Hot Dog Month queen.

We try to place editorial stories on hot dogs and National Hot Dog Month, and photos and stories on hot dog recipes in national magazines and Sunday supplements. In late June and July, you will undoubtedly see many hot dog recipes and hot dog stories that we place in these media.

We also work to get hot dog skits or recipes used on leading national television and radio shows.

To broadcast the hot dog story, we are using six young ladies who will be hot dog ambassadors. They will promote hot dogs and National Hot Dog Month. One girl will be located in New York and one in Chicago. The other four will visit major cities all over the United States. Their functions will be: 1) To appear as guests on television and radio shows; 2) To visit newspapers with stories for the business editors and exclusive recipes and photos for the food editors; 3) To participate in a meat packer National Hot Dog Month promotion, and 4) To make presentations of gold hot dogs to the mayors of each city visited.

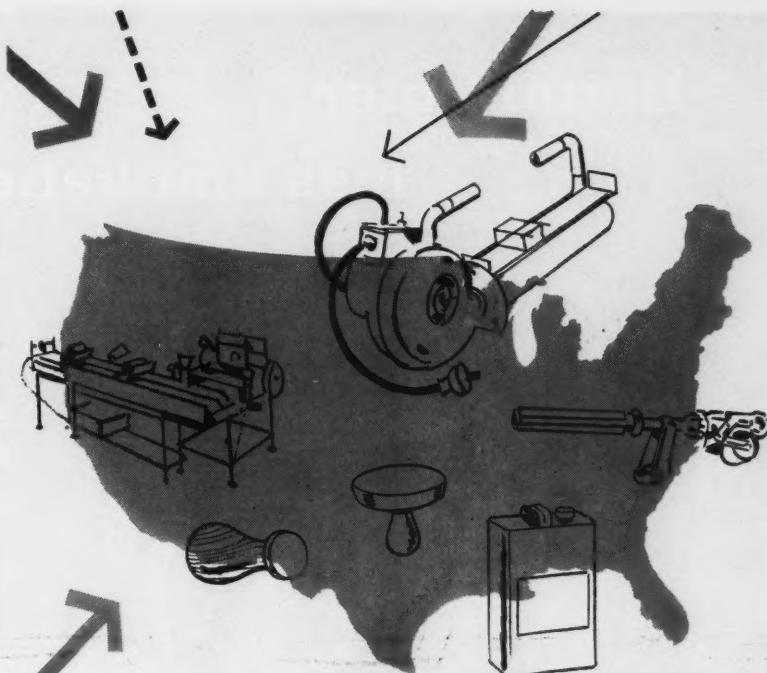
These girls will be well-versed in hot dog history, National Hot Dog Month and hot dog recipes. We feel that they will do much to get the hot dog story across to the American public.

During May, June and July, we will mail, each week, a special hot dog recipe and glossy photograph to 5,500 food editors throughout the country. These are new recipes and should stimulate greater hot dog consumption.

We will also work with syndicated columnists for complete hot dog stories in their columns. A placement with one of these columns gives vast coverage because of the tremendous number of papers that carry them. A story on hot dogs on which we worked last year with Hal Boyle ran in over 1,300 newspapers.

Naturally, we will have a Hot Dog Month queen. Just who, we have not decided. It may be a glamour choice. Miss Mansfield was the 1956 queen.

This is our 1957 program. We have tried to design it with a great deal of flexibility so that there will be at least some elements that every packer



Men are known by the company they keep

WE'RE PROUD TO BE KNOWN BY THE CUSTOMERS WE KEEP

IN our 25 years of service to the meat industry, we have served almost every progressive concern in the field. We're even more proud that we continue to serve leading concerns again and again, year after year, as their needs develop.

The knowledge and experience we have gained in these 25 years is at your service. If you have a product to mark, brand, label or package we can help you do it at low first cost and lower operating cost. May we help you?

Great Lakes STAMP & MFG. CO.
2500 IRVING PARK ROAD • CHICAGO 18, ILLINOIS

World's Largest Makers of Meat Branders and Marking Equipment. Packaging and Labelling Equipment.



Better color... less smokehouse time!



BIG ADVANTAGES AT LOW COST WITH NEW PFIZER ISOASCORBIC ACID OR SODIUM ISOASCORBATE

• In the past few years scores of processors have discovered that the addition of ascorbic acid U.S.P. or sodium ascorbate gives processed meats better color faster. If you have learned the advantages of using these products, but consider their initial cost high for your requirements, then here's good news!

New Pfizer Isoascorbic Acid and Sodium Isoascorbate cost you less and are fully as effective as ascorbic acid U.S.P. for improving and maintaining the color of meat products.

Another important factor is that Pfizer Isoascorbic Acid is used in your meat products at the same level as ascorbic acid. When

Sodium Isoascorbate is used to replace sodium ascorbate, a slightly greater amount is required.

Just as you found with U.S.P. ascorbic, you'll find that with the addition of Pfizer Isoascorbic Acid or Sodium Isoascorbate your meat products need less smokehouse time to develop full-bodied color. You save fuel, speed production and reduce shrinkage.

In addition, your customers will find that the color of your franks, bologna and other products is not only better to start with, but also lasts longer on the shelf.

Why not speed production and protect the sales appeal of your meat products this new low cost way. Ask your Pfizer representative for cost details, and write Pfizer if you would like technical information or a sample of either Pfizer Isoascorbic Acid or Sodium Isoascorbate.

*Quality ingredients
for the food industry
for over a century.*

Pfizer

CHAS. PFIZER & CO., INC.
Chemical Sales Division
630 Flushing Ave., Brooklyn 6, N.Y.
Branch Offices: Chicago, Ill.;
San Francisco, Calif.; Vernon, Calif.;
Atlanta, Ga.; Dallas, Texas

can use to increase hot dog sales.

Our 1956 National Hot Dog Month program has just been awarded the certificate of outstanding achievement by the American Public Relations Association. We thank the many packer participants for this.

Hot dog consumption is rising. We feel that National Hot Dog Month and the promotional programs of other suppliers, and most of all the promotional efforts by you, the meat industry, can keep this consumption curve rising. In the face of sales decreases suffered by many of the major "summer foods" last summer, hot dog consumption increased 13 per cent during the summer months.

National Hot Dog Month is a promotional umbrella under which meat packers, related item manufacturers and retail outlets can focus their promotional efforts for tremendous impact on the consumer—impact that will keep the hot dog consumption curve rising, not only during the summer but all 12 months of the year.

No Implied Warranty, Says State Senate-Passed Bill

The California senate recently passed and sent to the assembly a bill which provides: "In the absence of any express warranty, the sale of livestock for slaughter shall not imply a warranty of fitness."

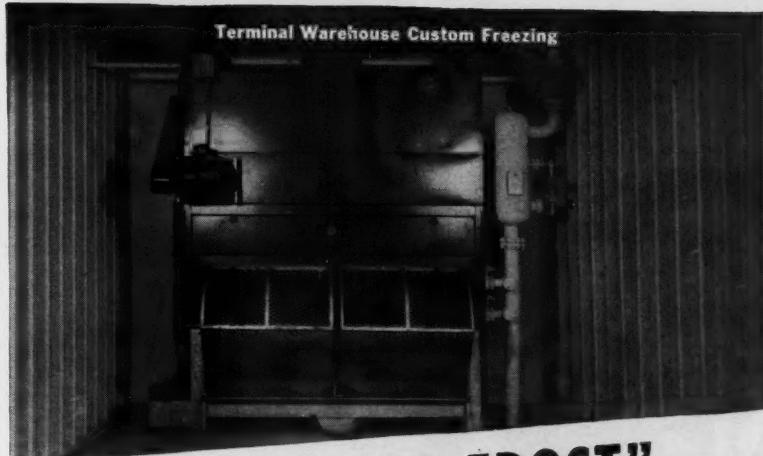
The measure is opposed by the Western States Meat Packers Association. Under present California law, according to WSMPA, packers are not liable to sellers for the full purchase price of condemned cattle because there is such implied warranty.

This argument was used by San Jose Meat Co., San Jose, Calif., in successfully defending an action brought against that firm under the Packers and Stockyards Act for refusing to pay a commission company for six cows condemned for disease. The seller contended that failure to pay was an unfair trade practice. While not ruling that there is such an implied warranty, a USDA judicial officer dismissed the complaint last October, holding that no unfair trade practice had been proved.

They Like Chicharrones

Most Americans think of pork in terms of ham, roasts and chops, but Mexicans may think of chicharrones. That is a pork delicacy which stacks up with cotton candy and bubble gum in our land. It's really pork skin which is fried crisp in vats of fat. Mexicans buy it in small pieces from street vendors, then dip the morsels in chili sauce.

Terminal Warehouse Custom Freezing

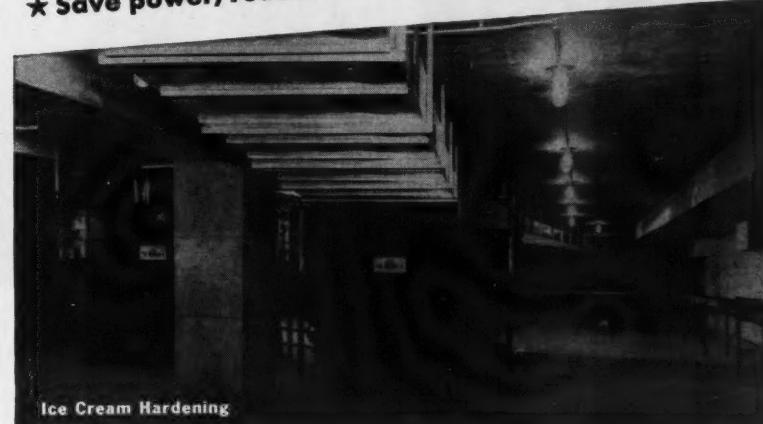


NIAGARA "NO FROST"

25 Years' Successful Experience



- ★ Always full capacity refrigeration and freezing.
- ★ "No Frost" removes moisture as fast as it condenses.
- ★ Save power, reduce costs; protect frozen food quality.



Write for Niagara Bulletin 105

NIAGARA BLOWER COMPANY

Dept. NP-5, 405 Lexington Ave.

New York 17, N. Y.

District Engineers in Principal Cities of U. S. and Canada

The Meat Trail...

AMI Gold Award Presented To W. G. Moody of Houston

A "golden" veteran of the meat packing industry received a recognition award from the American Meat



GOLD EMBLEM is presented to Winston G. Moody (left) by Wesley Hardenbergh.

Institute during a recent trip to Chicago from his home in Houston, Tex., where he formerly was general manager of Houston Packing Co.

AMI president WESLEY HARDENBERGH presented a gold emblem to WINSTON G. MOODY, who entered the

industry in October, 1905, as a shipping clerk with the Birmingham (Ala.) branch house of the former Schwarzbach & Sulzberger Co. Moody later became branch manager at Birmingham, then at Montgomery, Ala., and next he opened a branch house for S. & S. at Beaumont, Tex.

Moody joined Houston Packing Co. in July, 1912. He later became manager of the company's Galveston branch and then was, successively, sales manager in the Houston plant, assistant general manager and general manager. He resigned from the Houston firm in July, 1952, and became manager of Mission Provision Co., San Antonio. Subsequently, he was manager of Corsicana Packing Co., Corsicana, Tex. until that plant was sold in January of this year.

J O B S

JOHN R. BRADLEY, formerly vice president of Agar Packing Co., Inc., Chicago, was elected executive vice president of the company, and FRED W. TRENKLE, formerly provision manager, was elected vice president this week at a meeting of the board of directors. CARL F. WITTA, credit

manager, was appointed assistant treasurer of the firm. ROY F. MELCHIOR is president of the company.

The appointment of EUGENE EMORY as sales manager of P. D. Gwaltney Jr. and Co., Smithfield, Va., has been announced by HOWARD W. GWALTNEY, president of the firm. Emory is a veteran of 24 years in the meat packing business.

R. A. STEWART has assumed head office operating responsibilities over refining and rendering operations of Wilson & Co., Inc., Chicago. He formerly served in the plant operations department of the company.

T R A I L M A R K S

ABE COOPER, president of Bernard S. Pincus Co., Philadelphia, informed executives and salesmen gathered for an annual sales luncheon that sales are up over last year and that the firm will continue its expansion into other markets.

Two men from Armour and Company general office in Chicago have been elected to four-year posts in Worth Township, an area adjacent to



NINE VETERAN EMPLOYEES of Peet Packing Co., Chesaning, Mich., with service totaling 275 years, were honored by the company at a special banquet held recently at Saginaw's Hotel Bancroft. Guest of honor was Miss Estella Perrot (inset), bookkeeper at the Chesaning plant for 50 years. In recognition of Miss Perrot's golden anniversary as an employee, she was presented with a cameo necklace and a gold American Meat Institute pin. Wristwatches and silver AMI pins were given to eight other employees for completing 25 years of service with Michigan's largest meat packing firm. They are: Dorr Parshall, Roscoe Rice, Ralph Van Wagner, Albert Boettcher, Albert Peterson and Clem Hollenback, all employed at the Chesaning plant, and John Kabat and Michael Meyers, both of the Bay City plant. Mrs. Douglas Peet, wife of a company vice president, presented the service awards. R. Dewey Stearns, company president, spoke to the group of 61 employees attending the affair and read a congratulatory message to the honored employees from board chairman Harley Peet. Also speaking briefly were vice president and secretary Millis Peet, vice president Douglas Peet and general sales manager Guy Barratt, who praised the veteran employees for their long service with the Peet concern.



Chicago. EDWARD J. EDMOND, Armour automotive safety director, was re-elected constable, and HAMILTON B. MAHER of the company's foreign accounting department was named justice of the peace. Worth Township, containing ten communities, has a population of approximately 80,000. Emond has been with Armour since 1941. He is a graduate of traffic institutes at Northwestern University and Ohio State University and has had 16 years' experience in police work. Maher has been with Armour 39 years in the executive, sales and foreign accounting divisions.

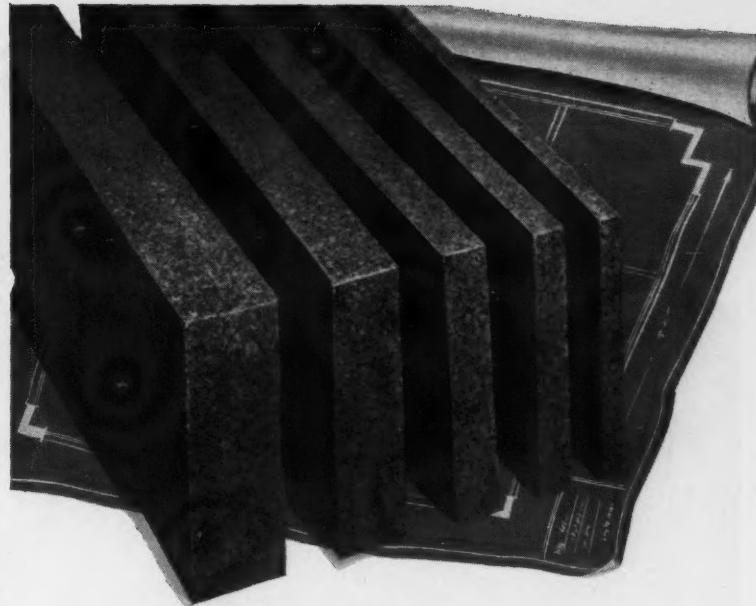
Barlant & Company, Chicago, has been appointed exclusive agent for the sale and liquidation of all machinery and equipment of Lima Packing Co., Lima, O. The sale is scheduled for Thursday through Saturday, June 6-8. The Lima plant, which recently was closed by the owners, is a complete manufacturing unit and has hog killing and cutting, sausage making and rendering facilities. The three-day sale will include all the company's motor vehicles and office furniture and equipment as well as the production machinery and equipment.

PALMER KREUTZ and DON HENRY have joined the staff of Packing House By-Products Co. in the Chicago office, NICK BEUCHER, JR., president of the brokerage firm, announced. Kreutz will be in the hide department, and Henry will fill the newly-created position of sales co-ordinator. Kreutz, who has been in the hide brokerage business for the past 12 years, formerly was with J. C. Andresen Co. and most recently was with Chicago Hide Brokerage Co. Henry served with Armour and Company for the past 14 years. Packing House By-Products Co., which handles hides, tallow, feeds and meat, also has an office in Boston.

HENRY FORD was named "salesman of the year" by Stark, Wetzel & Co., Inc., Indianapolis, at the company's 21st annual sales conference in the Severin Hotel, Indianapolis. A bronze-plated trophy was presented to Ford by GEORGE W. STARK, company president. Ford joined the Stark & Wetzel organization in 1946 and has been a member of the firm's "Million Pound Club" for



HENRY FORD



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MEAT INDUSTRY SUPPLIERS, INC.
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the past eight years. He sold 1,600,-000 lbs. of meat last year. Others named to membership in the "Million Pound Club" because of their 1956 sales achievements are: LUCENE CURRENT, RUSSELL HAEHL, JOHN CARTER, BRUCE MYERS, GEORGE ROBERTS, LEWIS LANGLEY, FARRELL SANDLER, CHARLES FOX, DONALD STRUCK, GORDON YOUNG, AL VINSON, JOHN DEARDORF, GEORGE FOBES, HARLEY LEVELL and DONALD CHANDLER.

ABE COOPER, president of Bernard S. Pincus Co., Philadelphia, has been named co-chairman of the food committee for the Golden Slipper Square Club Camp, a free non-sectarian summer camp for needy boys and girls.

PLANTS

A new business corporation, to be known as National Frozen Meat Products, Inc., has been organized in Philadelphia, with attorney WILLIAM KENDALL handling all the legal matters for the company. The firm will engage in the cutting, processing and packaging of frozen steaks and other meat and meat products.

DEATHS

JOHN WALL LYKES, 69, president of Lykes Bros., Inc., Tampa, died May 19. The company also operates a plant in Cuba. In addition to heading the Tampa concern, Lykes was associated in the family shipping enterprise, which includes the world's largest freight steamship business.

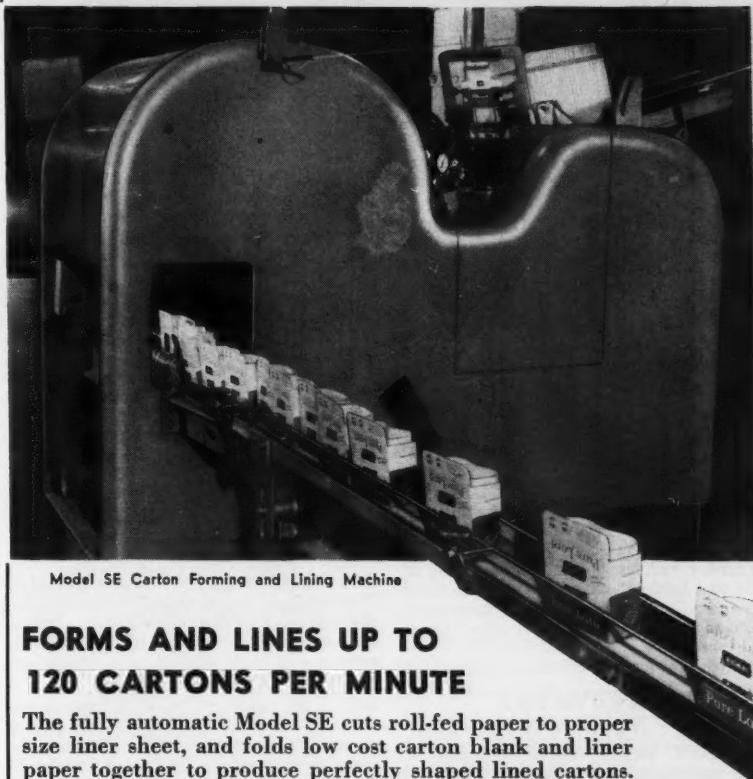
J. N. EICK, 56, of the cut meat department at Wilson & Co., Inc., Chicago, died recently. He was with Wilson about 25 years.

NORBERT A. HOLLENBACH, 49, former vice president of Charles Hollenbach, Inc., Chicago, died recently. The sausage company was established by his father, CHARLES, in 1881. Hollenbach is survived by the widow, GLADYS; his mother, AGATHA; two brothers, LOUIS and OSCAR, and two sisters.

WILLIAM STEMP, 69, who retired in 1952 as treasurer of Burns and Co., Ltd., Calgary, Alta., has passed away. He was with Burns 32 years.

Dr. STANLEY L. PILGRIM, 69, former chief of the Milwaukee health department's sanitary and food inspection forces, died recently. Dr. Pilgrim joined the health department staff in 1912 as assistant chief meat inspector. He became assistant chief food inspector in 1919 and head of the inspection forces in 1929. He retired after a heart attack in 1949.

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The books listed below are selected from a number of sources. In the opinion of the editors of the National Provisioner they are factual, practical and worthwhile — and are approved and recommended accordingly.

OPERATING

O-1 MEAT SLAUGHTERING AND PROCESSING \$5.00. Information helpful to small slaughterer or locker plant operator interested in killing and meat processing. Discusses: fundamentals; plant location, construction; beef slaughter, by-products; hog slaughter, inedible rendering; casing processing; lard rendering; track installations; curing; smoking; sausage manufacture.

O-2 SAUSAGE AND READY-TO-SERVE MEATS \$4.50. Covers manufacture of sausage and specialties including meat loaves, cooked and baked hams, canned meats; technical problems of spoilage prevention.*

O-3 PORK OPERATIONS . . . Temporarily out of print.

O-4 BEEF, LAMB AND VEAL OPERATIONS \$4.50. Beef and small stock operations described in detail. Among subjects covered are slaughter, dressing, chilling, handling edible specialties, hides, other by-products.*

O-5 FREEZING PRESERVATION OF FOODS . . . Temporarily out of print.

O-6 HIDES AND SKINS \$8.75. A comprehensive work on rawstock for leather, covering takeoff, curing, shipping and handling of hides and skins; these subjects are discussed by experts in packinghouse hide operations, chemists, tanners, brokers and others based on lectures sponsored by National Hide Association. Jacobsen Publishing Co.

MANAGEMENT

M-6 MEAT PACKING PLANT SUPERINTENDENCY \$4.50. General summary of plant operations not covered in Institute books on specific subjects. Discusses plant locations, construction, maintenance, power plant, refrigeration, insurance, operation controls, personnel controls, incentive plans, time keeping, safety.*

M-7 ACCOUNTING FOR A MEAT PACKING BUSINESS \$4.50. Designed primarily for smaller firms which have not developed multiple departmental divisions. Discusses uses of accounting in management, cost figuring, accounting for sales.*

M-8 PRODUCTIVITY AND COST REDUCTION IN THE MEAT INDUSTRY \$6.50. Deals with productivity and efficiency, man-hour and unit labor costs; plant layout and materials handling; incentives and work simplification; motion and time study and job evaluation; cost control; quality control; industrial engineering; productivity in hog and cattle killing; productivity in boning and the sausage kitchen; canning; efficiency in order assembly, etc.

M-9 NIMPA ACCOUNTING MANUAL FOR MEAT PACKERS. This book, compiled by Cletus Elsen and reviewed by special cost accounting committee of National Independent Meat Packers Association, makes available a simple but adequate accounting system and contains 52 sample forms. There are three sections: "The Purpose and Importance of a Cost Accounting

SPECIAL TEXTS

S-8 BY-PRODUCTS OF THE MEAT PACKING INDUSTRY \$4.50. Revised edition covers rendering of edible animal fats, manufacturing lard and lard substitutes, inedible tallow and greases, soap, hides, skins, pelts, hair products, glands, gelatin, glue, feeds.*

S-9 MICROBIOLOGY OF MEATS \$6.00. New third edition. Microbiology of meat foods by the chief bacteriologist, Swift & Company. In addition to revised chapters on cured and comminuted meats, green discolorations, microbiology of beef and bacon, bacteriology of pork and other subjects, chapters have been added on cured meats, effects of cure on bacteria, bacterial spores, canned meats, storage of canned and packaged meats, etc.

S-13 MEAT THROUGH THE MICROSCOPE \$5.00. Discusses chemistry of curing, refrigeration, sanitation, spoilage, chemistry and manufacture of fats, oils, pharmaceuticals, feeds.*

S-14 MEAT CUTTING MANUAL \$2.60. New methods are described by which hotels and restaurants can cut beef, pork, veal and lamb carcasses to get greater yields, in comparison with retail cutting. 145 illustrations. Ahrens Publishing Company.

S-15 THE MEAT HOG \$4.75. Needs and problems in developing the meat-type hog to meet changing consumer demands for more meat and less fat are discussed by livestock expert Claude Hinman. He tells how it is possible to achieve general production of most suitable type of swine and marketing at best age to avoid market gluts. 320 pages and 145 illustrations. Indexed. The Daily Sentinel.

PROVISIONER BOOKS

P-15 THE SIGNIFICANT SIXTY \$1.50. The 376-page magazine format history of development and progress of the meat packing industry from 1891 to 1951. Over 250,000 words, more than 200 illustrations.

P-16 ANNUAL MEAT PACKERS GUIDE. The Provisioner's reference and data book for packers, renderers, sausage and by-product manufacturers. The 1953 and 1954 editions, \$1.50.

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MAINTENANCE

H-17 FOOD PLANT SANITATION \$6.50. Milton Parker, Illinois Institute of Technology, in this handbook provides proved methods for solving problems of food sanitation. It makes available practices that are safe and in accordance with the law. 434 pages, 129 illustrations.**

H-18 AUTOMOTIVE TROUBLE SHOOTING AND MAINTENANCE \$5.50. By Anderson Ashburn, associate editor, American Machinist, gives detailed procedures for locating and correcting electrical, mechanical troubles in gasoline-powered automobile trucks. Written in simple language, well-illustrated. Covers all operating parts of vehicles. 324 pages.**

H-19 BOILER OPERATOR'S GUIDE \$5.75. Handbook on steam boilers. Covers boilers in use today—characteristics, installation, operating problems, solutions; problems of firemen and engineers discussed and solved in detail. Over 200 photographs, drawings, of boilers of all types, auxiliaries, appliances, etc. Valuable reference data and chapters on plant management, inspection, maintenance. 353 pages, 241 illustrations.**

H-20 PLUMBING \$8.00. Complete treatment of modern plumbing principles, design, practice. Covers; water supplies, pumps, storage tanks, water supply pipes in buildings, hot water, gas, compressed air, vacuum supplies, vent pipes and traps, sewage and drainage pumps, drains, water treatment, sewage disposal, maintenance, repairs, etc.**

H-21 AMERICAN ELECTRICIAN'S HANDBOOK \$10.00. Gives proved, ready-to-use facts and information on the selection, installation, operation, care, application of electrical apparatus, materials. Contains complete data on wires, cables, splitting, installation and care of motors, capacitors, lighting equipment, etc. 1734 pages, 1327 illustrations.**

GENERAL

H-23 BUSINESS LAW \$5.00. Second edition, textbook by R. O. Skar and B. W. Palmer. Imparts legal knowledge most frequently applicable in business, personal, social relationships. 478 pages.**

*An Institute of Meat Packing Book
**A McGraw-Hill Book.

Books are handled on a cash basis without adding extra margins for bookkeeping, billing, etc. To help us keep prices low we request payment at time of order.

Flashes on suppliers

SMALE METAL PRODUCTS, INC.: Consolidation of Smale Metal Products Co. and Beacon Metal Products Co. to form this new corporation has been announced. The new firm is located at 2632 S. Shields ave., Chicago 16, Ill., and the telephone number is CALumet 5-8830. JAMES B. KENNEDY has been appointed general sales manager.

GOODYEAR TIRE & RUBBER CO.: EDMUND D. LUTZ has been named northeast district manager of the films and flooring division of this Akron, Ohio, company. He will coordinate all sales activities of packaging, flooring and vinyl film field personnel in this area from his headquarters in New York City. The sales territory includes the New England states, New York, New Jersey, District of Columbia and part of Pennsylvania.



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R'S GUIDE to boilers. Characteristics, installations; problems discussed and graphs, drawings, auxiliaries, experience data and inspection, illustrations." Complete treat principles, design, supplies, pumps, pipes in buildings, air, vacuum, sewage and water treatment, repairs, etc.**

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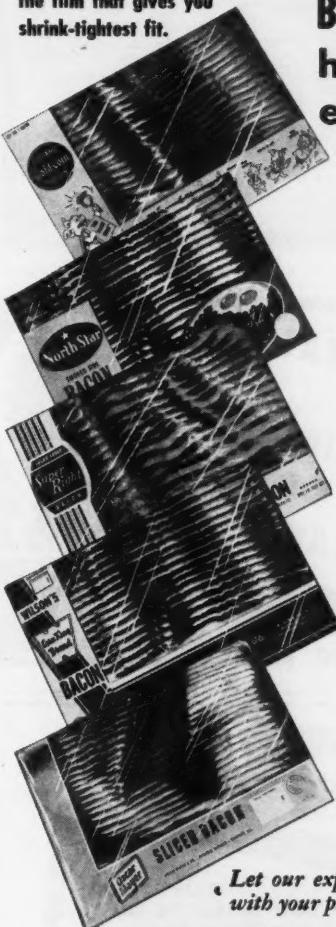
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ROBERT GAIR DIV., CONTINENTAL CAN CO.: Manufacturing and sales activities of the former Robert Gair Co. and Continental Can's fibre drum and paperboard division have been incorporated into the Robert Gair Div. of Continental Can Co. CHARLES U. HARVEY is sales manager of corrugated boxes and HAROLD M. WALTER is sales manager of fibre drums. JACK C. HENDRICKS continues as sales manager of boxboard and folding cartons. Regional sales managers of boxboard are E. A. KERSTEIN, New York; R. H. MORSE, New England; T. H. TARBELL, Great



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GENERAL MOTORS CORP.: Appointment of E. W. JOLLY, former Detroit zone manager, as truck fleet sales manager for the truck and coach division has been announced by this Pontiac, Mich., firm. Jolly has served in various sales supervisory positions since joining the firm

in 1951. He had been associated previously with other GMC divisions.

THE GRIFFITH LABORATORIES, LTD.: Construction of additional facilities at Scarborough, Ontario, by this Toronto company, has been started. Air-conditioned storage space for spices is one of the features of the 28,000-ft. extension.

MILPRINT INC.: MORGAN J. BEARDEN has been named sales representative for North and South Carolina by this Milwaukee, Wisc., organization.

FIRST SPICE MIXING CO., INC.: A new plant, equipped with modern machinery for grinding, mixing and processing seasonings and spices, has been opened in San Francisco, Calif., by this New York firm. ROSS SANDLOS is the sales manager for the western district operation.

TEE-PAK, INC.: HERBERT PLANCHER has been named sales representative to cover the greater New York area for this Chicago company.

GATES RUBBER CO.: CLARENCE H. MINGLE has been named to the newly-created post of director of marketing for this Denver, Colo., firm. He will be responsible for the coordination and direction of all sales divisions, although management of individual sales divi-



C. H. MINGLE

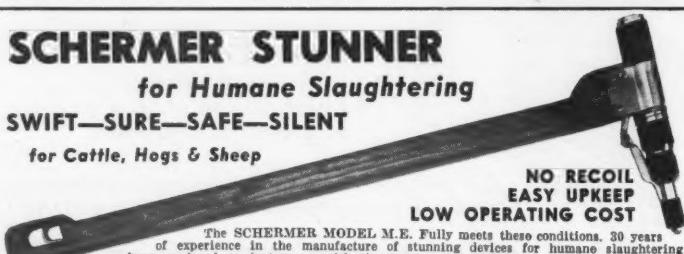
sions will not be altered. Mingle has been associated with Gates since 1923 and has been a member of the board of directors since 1934.

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RECENT PATENTS

The data listed below are only a brief review of recent patents pertinent to the readers and subscribers of this publication.

Complete copies of these patents may be obtained by writing to the Editorial department, The National Provisioner, and remitting 50c for each copy desired. For orders received from outside the United States the cost will be \$1.00 per copy.

No. 2,783,805, FOOD SLICING MACHINES, patented March 5, 1957 by Jozef Wielechowski, Slough, England, assignor to Lan-Elec Limited, Slough, England.

In this machine a hinged deflector

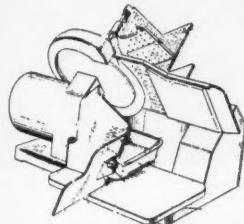
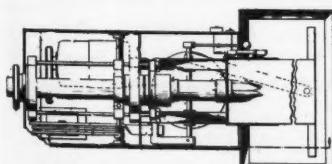


plate for the cut slices is provided, with a scrap container mounted thereon so that when the deflector plate is in use the scrap container is held below the cutting blade in order to receive scraps falling from it after slicing.

No. 2,785,434, MEAT BONING MACHINE, patented March 19, 1957 by Federico Terranova, Grand Rapids, Mich., assignor to Chick-nova



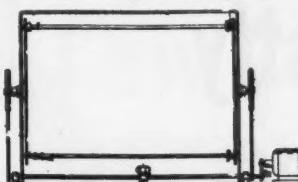
Corp., Grand Rapids, Mich., a corporation of Mich.

Feeding power actuating apparatus is provided to force the meat (such as ham) to the deboning apparatus, moving it in the required direction and required length in order to remove the bone and return it to initial position.

No. 2,781,988, WINDING MACHINE FOR LINK SAUSAGE, patented February 19, 1957 by Carl H. Peschke, Detroit, Mich.

Carried by a pair of rotatable end

members are rods to receive the sausage links. These rods are adapted to move toward or from the axis of rotation of the end members but to be selectively clamped to rigid positions

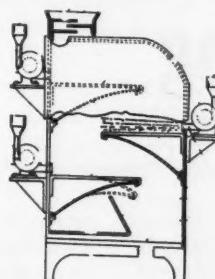


with respect to the end members. The rods are also pivoted at an end so that they may be swung on the pivots laterally.

No. 2,784,102, METHODS OF PRESERVING MEAT, patented March 5, 1957 by Nathan Herman, Philadelphia, and Morris Herman, Rydal, Pa.

More specifically the method is for preserving beef cuts and comprises stacking fresh cuts of beef in alternate layers with flake salt for a period of at least five days at a temperature averaging 40° F. and draining off resulting liquid, stacking the cuts in alternate layers with flake salt for a period of at least five days at a temperature averaging about 60° F. and draining off resulting liquid, and thereafter air drying the cuts with air at a temperature of about 100 to 120° F. for a period of about four days and until a white crust forms on the exterior.

No. 2,784,446, MEANS FOR REMOVING MEAT FROM BONES, patented March 12, 1957 by Chester



Beatty of Monroeville, Pennsylvania.

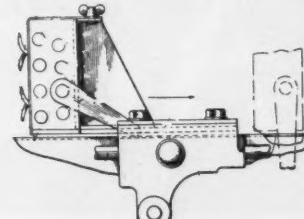
A shot-blasting method is disclosed for removing meat from scrap bones.

No. 2,788,281, INCREASING THE FLAVOR AND OTHER QUALITIES OF FOODS, patented April 9, 1957 by Dante G. Guadagni, Lafayette, Calif., assignor to the United States of America as represented by the Secretary of Agriculture.

A process of impregnating a solid food of selected fruits, vegetables, or meats with a food ingredient is dis-

closed and comprises freezing the food, and directly subjecting the food to an impregnation treatment, wherein the food is maintained in a thawed condition at a temperature just above its freezing temperature, within the range from about 25° F. to about 35° F. Meanwhile, it is in intimate contact with an edible liquid containing a food ingredient in a concentration greater than the concentration of the same food ingredient in the food, the contact being for a substantial period of time whereby to cause penetration of the food ingredient into the food.

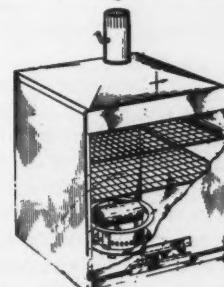
No. 2,780,258, PUSHER ASSEMBLY FOR SLICING MACHINES, patented February 5, 1957 by Joseph Folk, La Porte, Ind., assignor to U. S. Slicing Machine Company, Inc.,



La Porte, Ind., a corporation of Indiana.

The inventor provides a device for securing meat being sliced to the pusher whereby the meat will be withdrawn from the knife at the end of the slicing operation when only a stub of the meat remains, or the stub may also be sliced as an economy measure.

No. 2,789,877, APPARATUS FOR SMOKING FISH OR MEAT, patented April 23, 1957 by Frederick H. Pfundt, Blaine, Wash., assignor of 25 per cent to Cecil G. Pfundt; 25 per cent to Philip S. Cook, Blaine,



and 25 per cent to Charles Mackie, Cove, Wash.

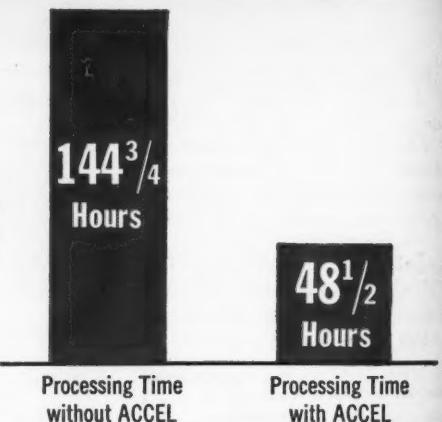
The product (meat or fish) is cured by subjecting it to a heated atmosphere of wood pyrolysis products, but free of wood combination products that are produced by the burning of wood.

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If you are a producer or potential producer of summer sausage, ACCEL offers important savings in money, time and labor. ACCEL is the Lactic Acid Starter Culture developed by AMIF research to control the fermentation process. Its use checks spoilage, eliminates off-flavor, non-uniform color, poor texture and nitrite burns.

ACCEL not only saves you money by reducing costly product failures, but also makes possible

© Merck & Co., Inc.

major savings in processing time. For example: Thuringer production normally requiring 144½ hours of processing time was accomplished in 48½ hours with ACCEL—a reduction of 96 hours—4 full days—off production time.

ACCEL is MIB approved for Summer Sausage, Thuringer, Cervelat, Salami, Pork Roll and Lebanon. Send for free sample and technical information.

Accel -a product of MERCK



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Uruguay's Meat Situation Continues To Be Critical

The meat supply situation in Uruguay continues critical, the Foreign Agricultural Service has revealed. The major packinghouses are unsure of their supplies of slaughter animals for the coming year. Although meat production in 1956 recovered some from the low of 1955, it was still below normal.

Financial difficulties within the National Packing House have resulted in the accumulation of many outstanding obligations to cattle producers. Until the obligations have been paid, cattlemen are unwilling to ship cattle to Montevideo. Recently the government gave the National Packing House \$389,000 to pay off debts. Although this has helped the situation somewhat, there is still a shortage of cattle, numbers of which have dropped 10 per cent during the last five years.

Most packers believe that unless they can import cattle from Argentina, they will only be able to operate at 50 to 60 per cent of normal in 1957. In 1956, Uruguay imported about 60,000 head of slaughter cattle from Argentina.

Export packers have found themselves caught between rising production costs, mainly the result of wage increases, and a relatively steady world price for meat. Also they have been hampered by artificial exchange rates which reduce their peso earnings on export operations.

The government recently acted to relieve this situation by raising the exchange rate for canned meat from 3.80 to 4.10 pesos per dollar. This will allow export packers to earn more pesos for their canned meat. However, exporters of chilled and frozen meat, who must operate under the low rate of 3.21 pesos per dollar, claim it is difficult to sell at competitive prices and still make a profit.

Schedule Weekly Fall Feeder Sales At Chicago Yards

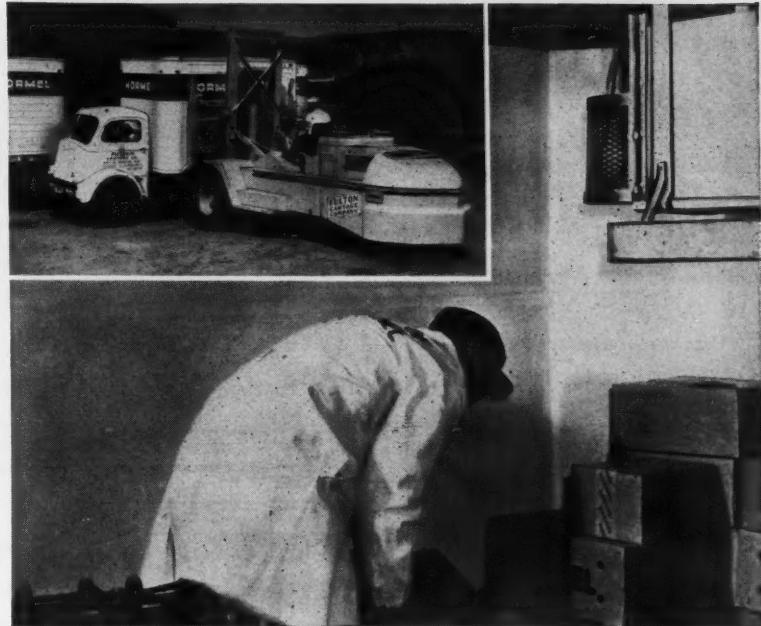
Weekly fall feeder sales will be held at the Chicago Stock Yards each Friday, beginning September 27th and running through November 1, under a new program announced by M. J. Cook, executive vice president.

The stepped-up feeder cattle sale program was initiated to make it possible for Corn Belt feeders to buy closer to their feedlots and for western ranchers to sell where buyers are concentrated.

Foster-Built Bunkers provide



Low Cost *Continuous* REFRIGERATION

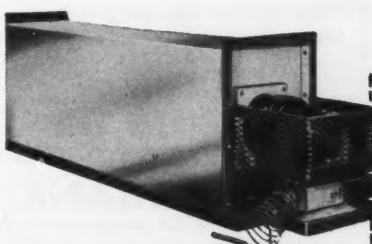


One loading from packing plant to store FOR NEW, FAST SHIPPING DELIVERY METHOD

Foster-Built Dry Ice Bunkers were chosen for their dependability and economy in a new method of fast long distance hauling of perishables by George A. Hormel and Company, meat packers. Under the new

delivery system, pre-packed perishables are held in original refrigeration units at CONSTANT temperature by Foster-Built

Dry Ice Bunkers until delivery at stores. This method of fast-hauling, combined with efficient low-cost Foster-Built refrigeration, offers the industry an ENTIRELY NEW METHOD of shipping meat and perishables!



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Foster-Built Bunkers, Inc.
Dept. MPS-C, 516 S. Laffin St., Chicago 7, Ill.
Telephone, MOnroe 6-6880
Gentlemen: Please send me information on Foster-Built Dry Ice Bunkers and new fast-shipping delivery method.

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Company.....

City..... Zone..... State.....



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- ✓ Unequaled knock-down and kill power.
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- ✓ Imparts no taste or odor to meat products.
- ✓ Non-toxic — harmless to personnel and livestock.

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Meat Inspection division of
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your plant.

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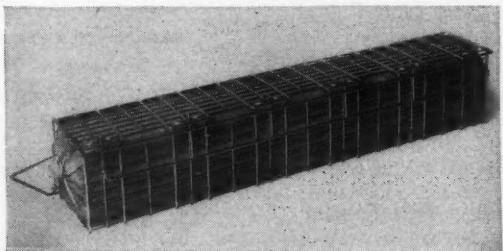


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CINCINNATI 2, OHIO

Book Review

The Marketing of Livestock and Meat, published by The Interstate Printers and Publishers, Inc., Danville, Ill. Price \$7.

In this book of 622 pages and 304 illustrations, there are four chapters devoted to subjects definitely associated with the meat packing industry. These are: "The Meat Packing Industry," "Determining the Value of Livestock and Meat," "Merchandising Meat and Meat Products" and "By-Products of the Meat Packing Industry." There are 19 additional chapters describing every aspect of other important segments of the meat industry and its scope.

The author, Stewart H. Fowler, Ph.D., associate professor of animal husbandry, State College of Washington, gives ample credit to those who provided assistance in the book's preparation. These included representatives of meat packing companies and stockyards, agricultural development and livestock marketing specialists of railroads and universities, national and regional meat trade associations, the USDA Marketing Service, and editors of livestock and meat trade magazines. The editor of NP made available several hard-to-get photographs, as well as the text of "Historical Report on the Progress and Development of the Meat Packing Industry, 1891-1951."

The author admits that livestock marketing has served not only as his vocation but also as his hobby. His book takes the serious reader step-by-step through a logical unfolding of the entire field of marketing of livestock and meat. He stresses that recent developments in the marketing field have changed the complexion of the marketing picture to the extent that many producers today are finding it necessary to re-evaluate certain phases of the marketing process.

One chapter is devoted to market news and the important functional role it plays in the marketing process: making currently available unbiased price and receipts data in a manner to aid in the interpretation of market trends.

Canada Revises Spring Hog Farrowing Estimate Upward

Estimates of Canadian hog farrowings for the period December 1, 1956 to June 1, 1957 have been raised from 609,700 to 617,000. This is 8 per cent more than estimates for the same season a year ago.



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Buy this fine product to complete your line of packaged sausage.

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VEGEX CO.
175 FIFTH AVE., NEW YORK 10, N.Y.
Representations open
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added safety

for

NEW BOSS STUFFERS

Added safety features now available in Boss Stufflers create a bonus value of real and lasting importance. The new, extra safe Boss Stufflers cannot be opened while the piston is subjected to pressure, and cannot be closed while fingers are ex-

posed. Think for a moment what these safety features could save you in the uncertain months ahead.

Detailed information about the new Boss Stufflers will be sent promptly upon request.

OTHER PROFIT MAKING FEATURES BOSS STUFFERS

are built for capacities of 100 to 600 lbs.

On 400-500-600 pound sizes, lid and yoke swing on ball bearings for ease of opening and closing.

Lid is centered automatically when yoke is swung to "closed" position.

Rubber packed, semi-steel lid fits flush into safety ring for complete emptying of cylinder.

Yoke is electrically refined cast steel, and is equipped with spring actuated centering pin for perfect lid alignment.

Coarse pitch, double lead screw for rapid operation of lid.

Cylinder of heavy nickel bearing semi-steel is machined and polished inside for efficiency and cleanliness.

Flat top, floating piston has air tight packing. Piston and packing easily adjusted without removal of piston from cylinder. Piston fits flush against lid and safety ring for complete ejection of meat.

Right or left air intake (except 100 lbs. size which has one air intake only).

Globe valve and syphon create vacuum beneath piston for quick return.

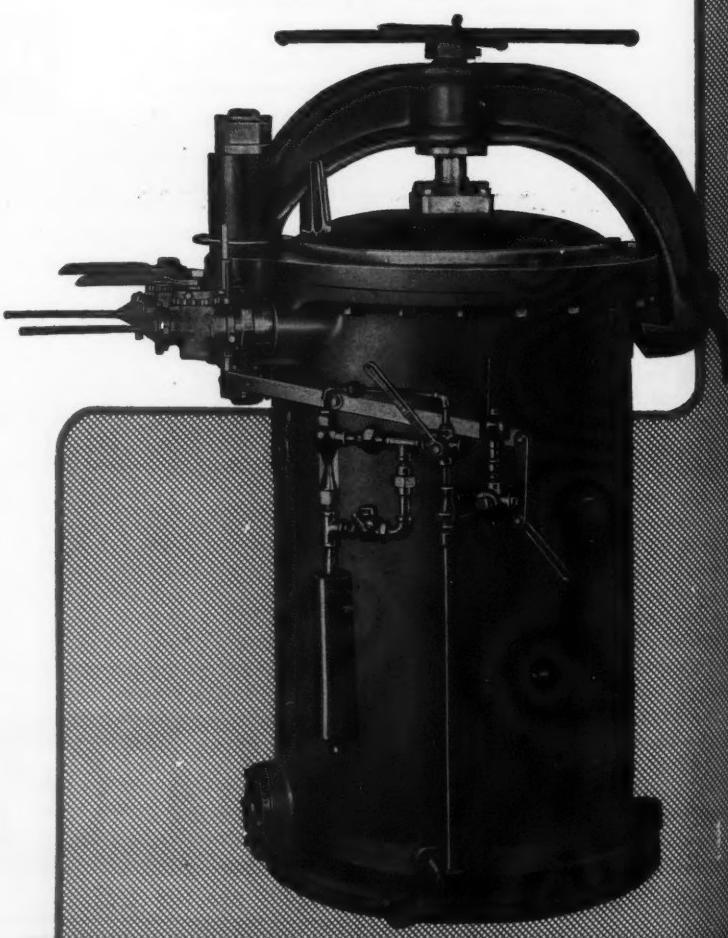
Silencer for air exhaust.

Patented, stainless alloy Micro-Set Stuffer Valve is leak proof, non-binding and easily disassembled for cleaning.

Two stuffer cocks on all but 100 lbs. size.

Two sets of stainless stuffer tubes with each stuffer (except 100 lbs. size, which is equipped with one set).

Zerk grease fittings throughout.



THE Cincinnati BUTCHERS' SUPPLY COMPANY
CINCINNATI 16, OHIO

ALL MEAT... output, exports, imports, stocks

Meat Production in Another Gain

Production of meat, which has tended to lag somewhat in recent weeks, last week made its second consecutive gain over volume turned out in the corresponding period the year before. Output last week totaled 406,000,000 lbs. for a 5 per cent increase over the previous week's volume of 387,000,000 lbs., and a 11 per cent edge over the 368,000,000 lbs. produced in the same week of last year. Slaughter of all meat animals was up, with that of cattle 5 per cent larger than the previous week and 8 per cent above the number a year earlier. Hog slaughter, while up only 3 per cent for the week, was 12 per cent larger than last year. Estimated slaughter and meat production by classes appear below as follows:

Week Ended	BEEF		PORK (Excl. lard)		TOTAL MEAT PROD. Mill. lbs.
	Number M's	Production Mill. lbs.	Number M's	Production Mill. lbs.	
May 18, 1957	385	217.5	1,160	159.8	
May 11, 1957	365	204.4	1,130	154.9	
May 19, 1956	355	200.0	1,040	140.6	

Week Ended	VEAL		LAMB AND MUTTON		TOTAL MEAT PROD. Mill. lbs.
	Number M's	Production Mill. lbs.	Number M's	Production Mill. lbs.	
May 18, 1957	138	17.2	267	12.0	406
May 11, 1957	127	15.5	263	11.8	387
May 19, 1956	129	16.4	234	10.5	368

AVERAGE WEIGHT AND YIELD (LBS.)					
Week Ended	CATTLE		HOGS		LARD PROD. Mill. lbs.
	Live	Dressed	Live	Dressed	
May 18, 1957	1,000	565	246	138	
May 11, 1957	1,000	560	244	137	
May 19, 1956	996	563	241	135	

Week Ended	CALVES		SHEEP AND LAMBS		LARD PROD. Per cwt. Mill. lbs.
	Live	Dressed	Live	Dressed	
May 18, 1957	225	125	93	45	40.6*
May 11, 1957	220	122	94	45	39.5*
May 19, 1956	229	127	93	45	14.8

*Estimated by the Provisioner

Canadian Inspected Meat Production Down This Year

Canada's production of carcass meat in inspected slaughterhouses dropped 4 per cent during the first quarter of 1957 from the same period in 1956. About 472,000,000 lbs. of meat were produced, 16,000,000 lbs. less than a year earlier. The greatest drop was in pork production, which declined 12 per cent.

During the same period, stocks of meat in cold storage fell off 29 per cent, from 54,000,000 lbs. to 38,000,000 lbs.

Slaughter was down during the first quarter of 1957 on all classes of livestock, except cattle. The 1,336,000 head of swine slaughtered was less than the previously published prediction of about 1,400,000 head.

Hog slaughter is expected to be even lower during the second quarter of 1957, with a gradual increase during the last half of the year. Sheep slaughter, which declined slightly in

the first quarter, is expected to decline further during the remainder of the year.

Inspected livestock slaughter in Canada for the first quarter 1954-57 is as follows:

	1954	1955	1956	1957
Cattle, calves	1,000	1,000	1,000	1,000
head	571	560	608	607
Hogs	1,152	1,400	1,532	1,336

Sheep, lambs 86 95 97 96

Animal Foods Production

Canned food and canned or fresh frozen food component for dogs, cats and like animals, prepared under government inspection and certification in April totaled 36,032,476 lbs. compared with 35,980,128 lbs. for the month before and 31,595,780 lbs. in April last year.

HOG-CORN PRICE RATIOS

Hog and corn prices at Chicago and hog-corn price ratios compared:

	Barrows and gilts av. per cwt.	No. 3 Corn yellow per bu.	Ratios based on barrows and gilts
Apr. 1957	\$17.96	\$1.298	13.8
Mar. 1957	17.28	1.290	13.4
Apr. 1956	15.14	1.462	10.4

Forecast Small Decline In Meat Output For This Year

Meat production for 1957 appears likely to fall 2 or 3 per cent below output for last year, the American Meat Institute has indicated.

Because of the rapidly increasing population, consumers will have, on the average, six or seven lbs. apiece less meat to eat for the year, it was added.

In a summary of meat prospects for the year, it was noted that in spite of the production decline, total volume of meat will be second only to last year's record high of about 28,000,000,000 lbs.

Marketings of hogs is running about 15 per cent fewer in numbers than a year ago, but this gap will narrow in the months ahead, and decreases will continue seasonally in each of the next three or four months, AMI indicated.

Hog prices have been running \$4 to \$5 above a year ago, or about 35 per cent higher. Pork in storage is more than a third below 1956 and lard stocks are down more than 40 per cent.

Cattle dressed for beef, on the other hand, have been running about 4 per cent above 1956 so far this year. Average weights have been lower; however, so total production of beef was up only 2 per cent.

MEAT PRODUCTS GRADED

Meats and meat products graded or certified, as complying with specifications of the U. S. Department of Agriculture (in 000 lbs.):

	Mar. 1957	Feb. 1957	Mar. 1956
Beef	587,812	552,079	619,350
Veal and calf	19,089	15,418	18,120
Lamb, yearling and mutton	22,716	21,236	22,047
Total	629,617	588,733	659,517
All other meats, lard.	16,789	17,114	12,303
Grand totals	646,406	606,847	671,820

Meat Index At 9-Month High

Meats led the list of consumer items which increased in price in the week ended May 14, the Bureau of Labor Statistics has reported. The wholesale price index on meats for the period rose to 90.8 from 88.6 for the previous week and was at its highest level since last September. The average primary market price index held steady at 117.2. The same indexes a year earlier were at 79.6 and 114.3, respectively. Current indexes were calculated on the basis of the 1947-49 average of 100.

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Color
Appeal



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Rich red, lasting color appeal is assured when you cure with Q. A. Quick-Action Pickle. Finest ingredients, extensive research and critical laboratory controls produce uniform predictable results.

Also, Q. A. Pickle is microsized—an exclusive Heller process that guarantees complete, faster solubility—no film, no suspended matter, no sediment.

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PROCESSED MEATS . . . SUPPLIES

April Volume of Meat Food Products Processed, Canned Down From Last Year

PROCESSING of meats and meat food products in April declined moderately from levels of last year for the same four-week period. Total volume of all products handled at 1,333,309,000 lbs. was down from 1,375,995,000 lbs. last year.

Product weight of sausage prepared and processed totaled 121,155,000 lbs. for about a 6,000,000-lb. de-

crease from 127,613,000 lbs. for the corresponding period last year. Volume of meat loaves, head cheese, chili, etc. declined to 15,051,000 lbs. from 15,755,000 lbs. last year.

Processors turned out 42,018,000 lbs. of steaks, chops and roasts compared with 49,720,000 lbs. a year ago.

Reflecting the reduced slaughter of hogs and the smaller amount of raw

material available this year, volume of sliced bacon fell to 69,843,000 lbs. from 76,213,000 lbs. last year. Renderers handled 157,921,000 lbs. of lard as against 166,034,000 lbs. in the same period last year.

In canning, total volume of meat products put up in the larger 3 lbs. and heavier containers amounted to 34,715,000 lbs. and that in the smaller shelf sizes of under 3 lbs., 136,302,000 lbs. Volume last year in the two sizes of cans was 42,041,000 lbs. and 166,149,000 lbs., respectively.

MEATS AND MEAT FOOD PRODUCTS PREPARED AND PROCESSED UNDER FEDERAL INSPECTION—MARCH 31, 1957 THROUGH APRIL 27, 1957 COMPARED WITH CORRESPONDING PERIOD, APRIL 1 THROUGH APRIL 28, 1956

	Mar. 31-Apr. 27 1957	Apr. 1-28 1956	17 Weeks 1957	17 Weeks 1956
Placed in cure—				
Beef	10,761,000	12,243,000	53,564,000	53,878,000
Pork	253,945,000	255,036,000	1,097,969,000	1,200,111,000
Other	123,000	102,000	553,000	454,000
Smoked and/or dried—				
Beef	3,965,000	4,369,000	18,021,000	18,218,000
Pork	202,369,000	177,507,000	782,334,000	844,992,000
Cooked Meat—				
Beef	6,258,000	5,718,000	28,200,000	23,723,000
Pork	28,056,000	19,191,000	99,254,000	98,892,000
Other	189,000	333,000	927,000	1,407,000
Sausage—				
Fresh finished	17,715,000	18,119,000	84,242,000	85,433,000
To be dried or semi-dried	9,833,000	10,676,000	44,524,000	43,575,000
Franks, wiener	48,552,000	50,939,000	197,026,000	191,499,000
Other, smoked, or cooked	45,055,000	47,879,000	192,106,000	186,930,000
Total sausage	121,155,000	127,613,000	517,898,000	509,437,000
Loaf, head cheese, chili, jelled products	15,051,000	15,755,000	65,189,000	63,695,000
Steaks, chops, roasts	42,018,000	49,720,000	189,743,000	223,268,000
Bouillon cubes, extract	205,000	170,000	957,000	429,000
Sliced bacon	69,843,000	76,213,000	301,726,000	323,232,000
Sliced, other	15,657,000	13,931,000	63,728,000	52,244,000
Hamburger	11,861,000	12,243,000	54,779,000	55,392,000
Miscellaneous meat product	6,489,000	5,012,000	30,855,000	27,441,000
Lard, rendered	157,921,000	166,034,000	698,937,000	801,857,000
Lard, refined	129,071,000	138,957,000	540,926,000	601,429,000
Oleo stock	6,087,000	8,000,000	26,379,000	34,909,000
Edible tallow	19,798,000	16,420,000	90,114,000	63,956,000
Compound containing animal fat	47,569,000	51,757,000	230,723,000	202,983,000
Oleomargarine containing animal fat	5,494,000	5,494,000	24,327,000	21,172,000
Canned product (for civilian use and Dept. of Defense)	179,421,000	214,175,000	817,411,000	914,267,000
Total*	1,333,309,000	1,375,995,000	5,734,507,000	6,136,317,000

*This figure represents "inspection pounds" as some of the products may have been inspected and recorded more than once due to having been subjected to more than one distinct processing treatment, such as curing first and then canning.

DOMESTIC SAUSAGE

(lcl prices, lb.)

Pork sausage, bulk, in 1-lb. roll	34 @ 40	Thuringer	94@ 98
Pork saus., sheep casing	57 @ 60	Farmer	49@ 52
1-lb. pkge.	57 @ 60	Holsteiner	75@ 79
Frankfurters, sheep casings, 1-lb. pkge.	59 @ 59½	B. C. Salami	83@ 85
Frankfurters, skinless, 1-lb. pkge.	44 @ 46	Pepperoni	74@ 76
Bologna (ring)	47 @ 48	Genoa style salami, ch.	90@ 102
Bologna, artificial cas.	37 @ 38½	Cooked salami	45@ 47
Smoked liver, hog bungs 45½@ 51	45½@ 51	Sicilian	83@ 87
Smoked liver, art. cas.	38 @ 38½	Goteborg	75@ 78
Polish sausage, smoked 52 @ 57	52 @ 57	Mortadella	51@ 54
New Eng. lunch, spec.	63 @ 70		
Olive loaf	41 @ 51½		
Blood and tongue	40½ @ 44½		
Pepper loaf	47 @ 50½		
Pickle & Pimento loaf	41 @ 46½		

SEEDS AND HERBS

(lcl prices)

	Ground		
	Whole	for sausage	
Caraway seed	22	27	
Comino seed	36	41	
Mustard seed, fancy	23		
yellow Amer.	17		
Oregano	44		
Coriander, Morocco, No. 1.	21	25	
Marjoram, French 70	75		
Sage, Dalmatian, No. 1	58	66	

DRY SAUSAGE

(lcl prices)

Cervelat, ch. hog bungs	94@ 98
Thuringer	49@ 52
Farmer	75@ 79
Holsteiner	76@ 79
B. C. Salami	83@ 85
Pepperoni	74@ 76
Genoa style salami, ch.	90@ 102
Cooked salami	45@ 47
Sicilian	83@ 87
Goteborg	75@ 78
Mortadella	51@ 54

SPICES

(Basis, Chicago, original barrels,
bags, bales)

	Whole	Ground
Allspice, prime	88	98
Resifted	96	105
Chili, pepper	45	
Chili, powder	52	
Cloves, Zanzibar	68	79
Ginger, Jam., unbl.	97	106
Mace, fancy Banda	3.50	4.10
West Indies	3.75	
East Indies	3.80	
No. 1	33	
West India Nutmeg	2.70	
Paprika, Amer. No. 1	65	
Paprika, Spanish	88	
Paprika, cayenne	54	
Pepita	44	

SAUSAGE CASINGS

(lcl. prices quoted to manufacturers of sausage)

Beef rounds—		
Clear, 29/35 mm.	1.05@ 1.25	
Clear, 35/38 mm.	1.06@ 1.10	
Clear, 35/40 mm.	85@ 90	
Clear, 38/40 mm.	1.00@ 1.45	
Clear, 40/44 mm.	1.30@ 1.60	
Clear, 44 mm./up	2.05@ 2.50	
Not clear, 40 mm./down	70	
Not clear, 40 mm./up	80@ 85	
Beef weasands—		
No. 1, 2½ in./up	12@ 16	
No. 1, 2½ in./up	96@ 14	
Beef middles—		
Ex. wide, 2½ in./up	3.40@ 3.50	
Spec. wide, 2½@ 2½ in./up	2.65@ 2.70	
Spec. med., 1½@ 2½ in.	1.60	
Narrow, 1½ in./dn	1.00	
Beef bung caps—		
Clear, 5 in./up	34@ 35	
Clear, 4½@ 5 in	30@ 32	
Clear, 4½@ 4½ in	18@ 19	
Clear, 3½@ 4 in	15@ 16	
Not clear, 4½ in./up	17@ 18	
Beef bladders, salted—		
7½ inch/up, inflated	18	
6½@ 7½ inch, inflated	13	
5½@ 6½ inch, inflated	12@ 13	
Pork casings—		
20 mm./down	4.55@ 4.75	
26@ 32 mm.	4.45@ 4.65	
32@ 35 mm.	2.80@ 3.00	
35@ 38 mm.	2.35@ 2.75	
38@ 44 mm.	2.20	

HOG BUNGS:

Sow, 34 in. cut	55@ 60
Export, 34 inch cut	47@ 50
Large prime, 34 in.	34@ 37
Med. prime, 34 in.	24@ 27
Small prime	16@ 22
Middles, 1 per set, cap off	55@ 60

Sheep Casings (per Hank):

26/28 mm.	5.50@ 6.00
24/26 mm.	6.05@ 6.30
22/24 mm.	4.80@ 5.10
20/22 mm.	4.10@ 4.40
18/20 mm.	2.95@ 3.25
16/18 mm.	1.75@ 2.30

CURING MATERIALS

Nitrite of soda, in 400-lb. bbls., del. or f.o.b. Chgo.	Cwt. \$11.35
Pure rfd. powdered nitrate of soda	5.65
Pure rfd. gran. nitrate of soda	8.65
Salt, paper sacked, f.o.b. Chgo., gran. carlots, ton.	\$30.00
Rock salt, ton in 100-lb. bags, f.o.b. whee. Chgo.	28.00
Sugar—	
Raw, 96 basis, f.o.b. N.Y.	6.00
Refined standard cane gran. basis (Chgo.)	8.70
Packers curing sugar, 100 lb. bags, f.o.b. Reserve, La. less 2%	8.55
Dextrose (less 10c):	
Cerelose, regular	7.69
Ex-Warehouse, Chicago	7.79

BEEF-VEAL-LAMB... Chicago and outside

CHICAGO

May 21, 1957

WHOLESALE FRESH MEATS CARCASS BEEF

	(Frozen, carlots, lb.)
Steers, gen. range:	(Carlots, lb.)
Prime, 700/800	39 @ 40
Choice, 500/600	38n
Choice, 600/700	37 1/2 @ 38
Choice, 700/800	37 @ 37 1/2
Good, 500/600	35 1/2 @ 36
Good, 600/700	35 1/2 @ 36
Bull, 600/700	35 1/2 @ 36
Commercial cow	29 1/2
Canner—cutter cow	27 1/2

PRIMAL BEEF CUTS

	(l.c.l. prices)
Hindqtrs., 5/800	None qtd.
Foreqtrs., 5/800	None qtd.
Rounds, all wts.	47n
Td. loins, 50/70 (l.c.l.)	87 @ 94
Sq. chucks, 70/90	30n
Arm chucks, 80/110	28n
Ribs, 25/35 (l.c.l.)	56 @ 59
Briskets (l.c.l.)	24 1/2
Navels, No. 1	15 1/2
Flanks, rough No. 1	15 1/2

Choice:

Hindqtrs., 5/800	46 1/2
Foreqtrs., 5/800	29
Rounds, all wts.	46
Td. loins, 50/70 (l.c.l.)	86 @ 70
Sq. chucks, 70/90	30n
Arm chucks, 80/110	28
Briskets, (l.c.l.)	24 1/2
Ribs, 25/35 (l.c.l.)	49 @ 52
Navels, No. 1	15 1/2
Flanks, rough No. 1	15 1/2

Good (all wts.):

Rounds	43 @ 44
Sq. cut chucks	28 @ 30
Briskets	23 1/2 @ 24
Ribs	46 @ 48
Loins	61 @ 64

COW & BULL TENDERLOINS

Fresh J/L	C-C grade	Frogs, C/L
59@60...	Cow, 3/dn.	59
80@83...	Cow, 3/4	72
88@90...	Cow, 4/5	80
98@100...	Cow, 5/up	92@93
98@100...	Bull, 5/up	92@93

BEEF HAM SETS

Insides, 12/up	46
Outsides, 8/up	40%
Knickles, 7 1/2/up	46

CARCASS MUTTON

Choice, 70/down	17 @ 18
Good, 70/down	16 @ 17

n—nominal

PACIFIC COAST WHOLESALE MEAT PRICES

FRESH BEEF (Carcass):	Los Angeles May 21	San Francisco May 21	No. Portland May 21
STEER:			
Choice:			
500-600 lbs.	\$39.50 @ 41.00		
600-700 lbs.	\$40.00 @ 41.00		
Good:	\$38.00 @ 39.00		
500-600 lbs.	38.50 @ 40.00		
600-700 lbs.	38.50 @ 40.00		
Standard:	35.00 @ 37.00		
COW:	35.00 @ 37.00		
Standard, all wts.	None quoted		
Commercial, all wts.	29.00 @ 31.00		
Utility, all wts.	28.00 @ 30.00		
Canner-cutter	None quoted		
Bull, util. & com'l	31.00 @ 34.00		
FRESH CALF:	(Skin-off)		
Choice:	(Skin-off)		
200 lbs. down	40.00 @ 44.00		
Good:	42.00 @ 44.00		
200 lbs. down	36.00 @ 40.00		
LAMB (Carcass) (New Crop):			
Prime:	44.00 @ 46.00		
45-55 lbs.	43.00 @ 46.00		
55-65 lbs.	41.00 @ 44.00		
Choice:	44.00 @ 46.00		
45-55 lbs.	42.50 @ 44.00		
55-65 lbs.	41.00 @ 44.00		
Good, all wts.	38.00 @ 43.00		
MUTTON (Ewe):			
Choice, 70 lbs. down	None quoted		
Good, 70 lbs. down	None quoted		

BEF PRODUCTS

(Frozen, carlots, lb.)	
Tongues, No. 1, 100's	26 1/2
Tongues, No. 2, 100's	22 1/2
Hearts, regular, 100's	17
Livers, regular, 35/50's	22
Livers, selected, 35/50's	25 1/2
Lips, scalded, 100's	12 1/2
Lips, unscalded, 100's	10%
Tripe, scalded, 100's	7 @ 7 1/2
Meats, 100's	7 1/2
Lungs, 100's	8
Udders, 100's	5 1/2

FANCY MEATS

(l.c.l. prices)	
Beef tongues, corned	34
Veal breads,	
under 12 oz.	77
12 oz. up	90
Calf tongues, 1-lb./down	18
Oxtails, fresh, select	14 1/2

BEF SAUS. MATERIALS

FRESH	
Canner—cutter cow meat, barrels	37 1/2 n
Bull meat, boneless barrels	40
Beef trim, 75/85% barrels	31
Beef trim, 85/95% barrels	34
Boneless chuck barrels	38
Beef cheek meat, trimmed, barrels	31 1/2 n
Shank meat, bbls.	39 1/2
Beef head meat, bbls.	22 n
Veal trim, boneless, barrels	35 @ 37

VEAL—SKIN OFF

(l.c.l. carcass prices)	
Prime, 600/700	50 @ 54
Hindqtrs., 700/800	48 @ 50
Hindqtrs., 800/900	48 @ 49
Rounds, flank off	48 @ 48
Rounds, diamond bone, flank off	47 @ 49
Short loins, untrm.	80 @ 94
Short loins, trim.	1,06 @ 1,24
Flanks	17 @ 17 1/2
Ribs, (7 bone cut)	60 @ 65
Arm chucks	33 1/2 @ 35
Briskets	30 @ 32
Plates	15 1/2 @ 16

CHOICE STEER:

(l.c.l. carcass prices)	
Prime, 600/700	50 @ 54
Hindqtrs., 700/800	48 @ 50
Hindqtrs., 800/900	48 @ 49
Rounds, flank off	48 @ 48
Rounds, diamond bone, flank off	47 @ 49
Short loins, untrm.	80 @ 94
Short loins, trim.	1,06 @ 1,24
Flanks	17 @ 17 1/2
Ribs (7 bone cut)	52 @ 56
Arm chucks	31 @ 33
Briskets	29 @ 31
Plates	15 @ 15 1/2

NEW YORK

May 21, 1957

WHOLESALE FRESH MEATS BEEF CUTS

(l.c.l. prices)	Cwt.
Steer: (l.c.l. prices)	
Prime, carc.	6/700.40 @ 43.50 @ 45.00
Prime, carc.	7/800.40 @ 43.50 @ 45.00
Choice, carc.	6/700.40 @ 40.50 @ 42.00
Choice, carc.	7/800.39 1/2 @ 41.50 @ 43.00
Good, carc.	6/700..37 @ 39.50 @ 40.50
Good, carc.	7/800.37 @ 39.50 @ 40.50
Hinds., carc.	6/700.36 @ 38.50 @ 39.50
Hinds., carc.	7/800.36 @ 38.50 @ 39.50
Melts., carc.	6/700.35 @ 37.50 @ 38.50
Melts., carc.	7/800.35 @ 37.50 @ 38.50
Lungs., carc.	6/700.34 @ 36.50 @ 37.50
Lungs., carc.	7/800.34 @ 36.50 @ 37.50
Tripe, carc.	6/700.33 @ 35.50 @ 36.50
Tripe, carc.	7/800.33 @ 35.50 @ 36.50
Flanks., carc.	6/700.32 @ 34.50 @ 35.50
Flanks., carc.	7/800.32 @ 34.50 @ 35.50
Round loins, carc.	6/700.31 @ 33.50 @ 34.50
Round loins, carc.	7/800.31 @ 33.50 @ 34.50
Short loins, untrm.	6/700.30 @ 32.50 @ 33.50
Short loins, untrm.	7/800.30 @ 32.50 @ 33.50
Short loins, trim.	6/700.29 @ 31.50 @ 32.50
Short loins, trim.	7/800.29 @ 31.50 @ 32.50
Flanks.	6/700.28 @ 30.50 @ 31.50
Flanks.	7/800.28 @ 30.50 @ 31.50
Flanks.	6/700.27 @ 29.50 @ 30.50
Flanks.	7/800.27 @ 29.50 @ 30.50
Flanks.	6/700.26 @ 28.50 @ 29.50
Flanks.	7/800.26 @ 28.50 @ 29.50
Flanks.	6/700.25 @ 27.50 @ 28.50
Flanks.	7/800.25 @ 27.50 @ 28.50
Flanks.	6/700.24 @ 26.50 @ 27.50
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Flanks.	6/700.10 @ 12.50 @ 13.50
Flanks.	7/800.10 @ 12.50 @ 13.50
Flanks.	6/700.09 @ 11.50 @ 12.50
Flanks.	7/800.09 @ 11.50 @ 12.50
Flanks.	6/700.08 @ 10.50 @ 11.50
Flanks.	7/800.08 @ 10.50 @ 11.50
Flanks.	6/700.07 @ 9.50 @ 10.50
Flanks.	7/800.07 @ 9.50 @ 10.50
Flanks.	6/700.06 @ 8.50 @ 9.50
Flanks.	7/800.06 @ 8.50 @ 9.50
Flanks.	6/700.05 @ 7.50 @ 8.50
Flanks.	7/800.05 @ 7.50 @ 8.50
Flanks.	6/700.04 @ 6.50 @ 7.50
Flanks.	7/800.04 @ 6.50 @ 7.50
Flanks.	6/700.03 @ 5.50 @ 6.50
Flanks.	7/800.03 @ 5.50 @ 6.50
Flanks.	6/700.02 @ 4.50 @ 5.50
Flanks.	7/800.02 @ 4.50 @ 5.50
Flanks.	6/700.01 @ 3.50 @ 4.50
Flanks.	7/800.01 @ 3.50 @ 4.50
Flanks.	6/700.00 @ 2.50 @ 3.50
Flanks.	7/800.00 @ 2.50 @ 3.50
Flanks.	6/700.00 @ 1.50 @ 2.50
Flanks.	7/800.00 @ 1.50 @ 2.50
Flanks.	

BY-PRODUCTS... FATS AND OILS

BY-PRODUCTS MARKET

(P.O.B. Chicago, unless otherwise indicated)
Wednesday, May 22, 1957

BLOOD

Unground, per unit of ammonia, bulk 5.75n

DIGESTER FEED TANKAGE MATERIAL

Wet rendered, unground, loose:

Low test	5.75n
Med. test	5.75n
High test	5.75n

PACKINGHOUSE FEEDS

Carlots, ton

50% meat, bone scraps, bagged \$ 65.00@ 72.50

50% meat, bone scraps, bulk .. 62.50@ 70.00

55% meat scraps, bagged 76.00

60% digester tankage, bagged 72.50@ 80.00

60% digester tankage, bulk 70.00@ 75.00

80% blood meal, bagged 110.00@120.00

Steam bone meal, bagged 87.50

(Specially prepared) 87.50

60% steam bone meal, bagged.... 75.00

FERTILIZER MATERIALS

Feather tankage, ground, per unit ammonia 5.00@5.25

Hoof meal, per unit ammonia 5.25@5.50

DRY RENDERED TANKAGE

Low test, per unit prot. 1.20n

Med. test, per unit prot. 1.15n

High test, per unit prot. 1.10n

GELATINE AND GLUE STOCKS

Cwt.

Hide trimm., green salted (glue).. 7.00

Cattle jaws, scraps and knuckles, (gelatine, glue), per ton 55.00@57.00

Pig skin scraps (gelatine) 8.00@8.25

ANIMAL HAIR

Winter coll dried, per ton *80.00@90.00

Summer coll dried, per ton *40.00@42.50

Cattle switches, per piece 3 1/2@4 1/2

Winter processed (Nov.-March)

gray, lb. 16

Summer processed (April-Oct.)

gray, lb. 10 1/2

*Delivered, n—nominal. a—asked.

TALLOWS and GREASES

Wednesday, May 22, 1957

The inedible tallow and grease market late last week was called steady, and the edible tallow market continued to lose ground. Several tanks of bleachable fancy tallow sold at 7 1/2c, c.a.f. Chicago. Most offerings were held up to 7 1/2c. Yellow grease traded at 7 1/4c, c.a.f. New York, on regular production, and unconfirmed reports were that some low acid material sold 1/4c higher. A couple of tanks of yellow grease sold at 6 1/2c, c.a.f. Chicago. A few tanks of choice white grease, all hog, sold at 9 1/2c, delivered New York, for immediate shipment.

On Friday, the market showed some strength, as bleachable fancy tallow sold at 8@8 1/2c, c.a.f. East, product considered. Original fancy tallow was bid at 8 1/4c, same delivery point. Bleachable fancy tallow sold at 7 1/2@7 1/4c, and special tallow at 6 1/2@6 1/4c, all c.a.f. Chicago. Several tanks of choice white grease, all hog, sold at 9 1/2@9 1/4c, delivered

East. A few tanks of edible tallow sold at 10 1/4c, c.a.f. Chicago, and the same was offered at 10 1/4c, f.o.b. River points.

Scattered trades were reported on Monday of the new week, and mostly at steady levels. The exception was choice white grease, all hog, which traded at 9 1/4@9 1/2c, c.a.f. New York. A tank of edible tallow sold at 10 1/4c, c.a.f. Chicago. Edible tallow was available at 10 1/4c, f.o.b. River.

Several tanks of choice white grease, all hog, sold on Tuesday at 9 1/4c, c.a.f. New York. Continued buying interest on bleachable fancy tallow was at 7 1/2c, c.a.f. East, 7 1/2c, c.a.f. New Orleans, and at 7 1/2c, c.a.f. Chicago. Yellow grease was bid at 7 1/4c, c.a.f. New York; 7c, c.a.f. New Orleans; and 6 1/2c, Chicago. Choice white grease, all hog, was bid at 9 1/4c, c.a.f. New Orleans. A few tanks of bleachable fancy tallow sold at 7 1/2c, delivered Chicago. Several tanks of edible tallow sold at 9 1/4c, f.o.b. River. The same product was offered at 10 1/4c, c.a.f. Chicago.

At midweek, several tanks of choice white grease, all hog, sold at 9 1/4c, c.a.f. East. Additional tanks



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HIDES AND SKINS

were held at 9½c. Bleachable fancy tallow was bid at 7½c, 8c, and 8½c, same destination, product and shipment considered. Bleachable fancy tallow was again bid at 7½c, Chicago. In the Midwest, the market showed little change pricewise. Yellow grease was bid at 7½c, delivered New York, and at 6½c, c.a.f. Chicago. Special tallow inquiry was at 6¾@6½c, also c.a.f. Chicago.

TALLOWS: Wednesday's quotations: edible tallow, 9½c, f.o.b. River, and 10½c, Chicago basis; original fancy tallow, 7½c; bleachable fancy tallow, 7½c; prime tallow, 7@7½c; special tallow, 6¾@6½c; No. 1 tallow, 6½c; and No. 2 tallow, 6c.

GREASES: Choice white grease, not all hog, 8c; B-white grease, 6¾@6½c; yellow grease, 6½c, house grease, 6c, and brown grease, 5¾c. Choice white grease, all hog, was quoted at 9½c, c.a.f. East.

EASTERN BY-PRODUCTS

New York, May 22, 1957

Dried blood was quoted today at \$4.75 per unit of ammonia. Low test wet rendered tankage was listed at \$4.50@\$4.75 per unit of ammonia and dry rendered tankage was priced at \$1.05 per unit of protein.

N.Y. COTTONSEED OIL FUTURES

FRIDAY, MAY 17, 1957

	Open	High	Low	Close	Prev.
July	15.00b	15.02	14.88	14.95	15.02
Sept.	14.76	14.79	14.65	14.78	
Oct.	14.48b	14.57	14.46	14.57	14.54b
Dec.	14.42b	14.54	14.43	14.54	14.46b
Jan.	14.42b	14.54	14.43	14.54	14.46b
Mar.	14.30b	14.42	14.30	14.40b	14.38b
May	14.40b	14.40	14.40	14.40b	14.45b
July	14.40b	14.40	14.40	14.35b	14.40b

Sales: 186 lots.

MONDAY, MAY 20, 1957

	Open	High	Low	Close	Prev.
July	14.90b	15.13	14.90	15.10	14.95
Sept.	14.70b	15.00	14.75	14.94b	14.78
Oct.	14.50b	14.68	14.62	14.69b	14.57
Dec.	14.45b	14.65	14.60	14.65b	14.54
Jan.	14.45n	14.65	14.60	14.65n	14.54n
Mar.	14.40b	14.60	14.55	14.60b	14.40b
May	14.40b	14.60	14.55	14.50b	14.40b
July	14.35b	14.55	14.50	14.44b	14.35b

Sales: 194 lots.

TUESDAY, MAY 21, 1957

	Open	High	Low	Close	Prev.
July	15.12	15.17	15.02	15.07b	15.10
Sept.	14.05b	15.06	14.95	14.97	14.94b
Oct.	14.50b	14.68	14.62	14.69b	14.57
Dec.	14.45b	14.65	14.60	14.65b	14.54
Jan.	14.63b	14.68	14.63	14.70b	14.65b
Mar.	14.63n	14.70	14.65	14.70n	14.65n
May	14.50b	14.60	14.55	14.60b	14.50b
July	14.45b	14.55	14.50	14.40b	14.44b

Sales: 192 lots.

WEDNESDAY, MAY 22, 1957

	Open	High	Low	Close	Prev.
July	14.90b	15.05	14.90	15.05	15.07b
Sept.	14.93b	14.97	14.84	14.97	14.97
Oct.	14.57b	14.55	14.53	14.60b	14.65b
Dec.	14.47b	14.61	14.44	14.61	14.57b
Jan.	14.47n	14.61	14.44	14.61	14.57b
Mar.	14.33b	14.60	14.60	14.60	14.40b
May	14.40b	14.60	14.54b	14.60b	14.40b
July	14.33b	14.60	14.54b	14.60b	14.35b

Sales: 156 lots.

Tallow, Grease Exports

Shippers' export declarations processed by the Bureau of the Census for the week ended May 17 indicated United States exports of tallow at 6,258,621 lbs.

Rising trend in big packer hides pushed prices to their highest levels of the year—Lighter weight small packer hides fairly active and strong, with heavier weights slow and about steady—Limited supply of calf and kip skins steady to higher—Trading on sheepskins active, with good quality stock quoted higher.

CHICAGO

PACKER HIDES: Hides continued their upward trend on Monday of the new week, as good demand and light volume of offerings pushed some selections up ½c to 1c in the big packer circuit. About five cars of branded cows from Southwestern points sold for 12c, up ½c, and River production light native cow hides moved up to as high as 17½c in some late sales last Friday.

In a good trade Tuesday, about 50,000 hides sold, and prices advanced to the highest levels of the year. Buyers put up only light resistance to higher asking prices. Light cows paced the advance as River production stock moved up to 18c, and Northern branded cows, heavy native cows, and heavy native steers also shared in the advance. On Wednesday, butt-branded steer hides and Colorado steers moved higher.

SMALL PACKER AND COUNTRY HIDES: A good movement of small packer hides, with light average moving slightly higher, and heavier averages slow. Midwestern 50@52-lb. allweights sold at 12c and 12½c selected, with later offerings at 13c. Movement was slow on country hides, as buyers resisted the asking prices.

CALFSKINS AND KIPSKINS:

VEGETABLE OILS

Wednesday, May 22, 1957

Crude cottonseed oil, f.o.b.				
Valley			12½b	
Southeast			12½n	
Texas			12½ @ 12½n	
Corn oil in tanks, f.o.b. mill			13n	
Soybean oil, f.o.b. Decatur			12½pd	
Peanut oil, f.o.b. mills			15½n	
Coconut oil, f.o.b. Pacific Coast			11½n	
Cottonseed foots:				
Midwest and West Coast			2½	
East			2½	

OLEOMARGARINE

Wednesday, May 22, 1957

White domestic vegetable	27
Yellow quarters	28
Milk churned pastry	26
Water churned pastry	25

OLEO OILS

Wednesday, May 22, 1957

Prime oleo stearine (slack barrels)	11½
Extra oleo oil (drums)	18½
Prime oleo oil (drums)	18½

n—nominal, a—asked, b—bid, pd—paid.

Light trade has characterized this market since last week when both calf and kip sold steady to higher.

SHEEPSKINS: Trading on sheepskins was a little stronger than last week, and prices were about 10@15c higher on good quality No. 1 shearlings. A good demand was reported on No. 3 shearlings, with not many offered. Good quality full wool dry pelts were quoted at 29c, with some sales at that level.

CHICAGO HIDE QUOTATIONS

PACKER HIDES

	Week ended	Cor. Week
May 22, 1957	1956	
Lgt. native steers	15 @ 15½	15½n
Hvy. nat. steers	11 @ 11½	12 @ 13½n
Ex. lgt. nat. steers	18½ @ 19	18n
Butt-brand. steers	9 @ 9½	9½n
Colorado steers	8½ @ 9	9n
Hvy. Texas steers	9 @ 9½n	9½n
Light Texas steers	12n	13½n
Ex. lgt. Texas steers	16n	17n
Heavy native cows	12 @ 12½	13n
Light nat. cows	16 @ 18	15½ @ 16½n
Branded cows	10½ @ 12	12 @ 13n
Native bulls	8n	10 @ 10½n
Branded bulls	7n	9 @ 9½n
Calfskins:		
Northerns, 10/15	52½	50 @ 52½n
10 lbs./down	37½	45n
Kips, Nor., mat., 15/25	34	34n

SMALL PACKER HIDES

STEERS AND COWS:	60 lbs. and over	50 lbs.
	9½n	9½ @ 10n

SMALL PACKER SKINS

Calfskins, all wts.	...28 @ 29	34 @ 36n
Kipskins, all wts.	22 @ 23	22 @ 24n

SHEEPSKINS

Packer shearlings:	No. 1	1.90 @ 2.40	2.50 @ 2.75n
Dry Pelts		29	23n
Horsehides, trim.	0.00 @ 0.50	10.25n	
Horsehides, trim.	8.00 @ 8.50		....

N. Y. HIDE FUTURES

FRIDAY, MAY 17, 1957

	Open	High	Low	Close
July	12.25b	...	...	12.35b
Oct.	12.65b	...	...	12.65b
Jan.	12.85b	...	...	12.86b
Apr.	13.10b	...	...	13.10b
July	13.29b	...	...	13.30b
Oct.	13.45b	...	...	13.45n

Sales: none.

MONDAY, MAY 20, 1957

	Open	High	Low	Close
July	12.12b	...	...	12.31b
Oct.	12.65b	12.75	12.75	12.75n
Jan.	12.90b	13.02	13.00	13.02
Apr.	13.15b	...	...	13.18b
July	13.35b	13.45	13.45	13.40b
Oct.	13.45b	...	...	13.55n

Sales: four lots.

TUESDAY, MAY 21, 1957

	Open	High	Low	Close
July	12.29b	12.50	12.35	12.46
Oct.	12.75b	12.90	12.85	12.94
Jan.	13.00b	13.16	13.15	13.18b
Apr.	13.20b	...	...	13.30b
July	13.42b	...	...	13.59b
Oct.	13.45b	...	...	13.75n

Sales: 64 lots.

WEDNESDAY, MAY 22, 1957

	Open	High	Low	Close
July	12.42b	12.74	12.50	12.14
Oct.	12.90-89	13.20	12.89	13.17b
Jan.	13.06b	...	...	13.36b
Apr.	13.30b	...	...	13.62b
July	13.45b	...	...	13.80b
Oct.	13.45b	...	...	13.90n

Sales: 40 lots.

THURSDAY, MAY 23, 1957

	Open	High	Low	Close
July	12.65b	12.80	12.70	12.73b
Oct.	13.15b	13.25	13.10	13.18b
Jan.	13.35b	13.45	13.31	13.40
Apr.	13.60b	...	...	13.60b
July	13.60b	...	...	13.80b
Oct.	13.60b	...	...	13.90n

Sales: 44 lots.

n—nominal, b—bid, pd—paid.

LIVESTOCK MARKETS ... Weekly Review

Cattle Kill in April Down, Hog Slaughter Up From Last Year

Livestock slaughter in federally inspected plants in the United States during April produced results something different than anticipated. Slaughter of cattle, which was expected to number larger than last year was off, while that of hogs which was expected to fall short of the count for the month last year, showed a moderate increase.

Slaughter of cattle in April numbered 1,498,691 head for a sizeable decrease from the March count of 1,513,798 head and was down even more from the record April 1956 kill of 1,544,684 head for the month. However, with slaughter of cattle the first three months of this year numbering well above last year, the January-April kill established a new record of 6,351,411 head and compared with the 1956 kill of 6,291,078 head for the period.

Calf slaughter at 603,503 in April, while down from the March count of 632,494 head, was about 9,000 head larger than last year. Slaughter of the young stock for four months totaled 2,451,298 head compared with 2,438,152 last year.

Slaughter of hogs declined seasonally to 5,300,139 head from the March total of 5,380,056, but showed a moderate gain over the 5,252,031 butchered in April last year. The four-month aggregate hog kill of 21,019,583 head was down about 14 per cent from last year's 24,206,260 head for the period.

Sheep slaughter, with new crop lambs reaching packing plants in fair

volume, rose to 1,060,814 head from 1,011,489 in March, but fell below the April 1956 count of 1,129,286. Slaughter of the animals for the year totaled 4,496,156 as against 4,837,328 last year.

FEDERALLY INSPECTED SLAUGHTER

	CATTLE	1957	1956
January	1,851,362	1,696,803	
February	1,487,580	1,483,530	
March	1,513,798	1,565,971	
April	1,498,691	1,544,684	
May		1,645,813	
June		1,078,557	
July		1,727,858	
August		1,773,867	
September		1,616,660	
October		1,958,960	
November		1,807,412	
December		1,685,779	
Totals		939,897	1,014,066

	CALVES	1957	1956
January	656,616	601,988	
February	549,635	586,005	
March	632,494	646,706	
April	612,553	603,503	
May		606,180	
June		596,118	
July		609,657	
August		690,769	
September		660,988	
October		872,453	
November		763,312	
December		605,363	
Totals		94,230	102,861

	HOGS	1957	1956
January	5,654,565	6,703,262	
February	1,090,570	1,163,178	
March	1,011,489	1,215,816	
April	5,500,139	5,252,031	
May		4,875,088	
June		4,325,559	
July		4,199,109	
August		4,559,479	
September		4,979,047	
October		6,346,586	
November		6,559,018	
December		5,698,059	
Totals		1,349,433	1,449,735

	SHEEP	1957	1956
January	1,333,283	1,329,048	
February	1,090,570	1,163,178	
March	1,011,489	1,215,816	
April	1,060,814	1,123,286	
May		1,082,223	
June		1,082,799	
July		1,168,313	
August		1,288,476	
September		1,166,881	
October		1,439,291	
November		1,139,309	
December		1,061,920	
JANUARY-APRIL TOTALS		1957	1956
Cattle	6,851,411	6,291,078	
Calves	2,451,298	2,438,152	
Hogs	21,019,583	24,206,260	
Sheep	4,496,156	4,837,328	

SALABLE LIVESTOCK AT 12 MARKETS IN APRIL

	CATTLE	1957	1956
Chicago	156,693	202,219	
Cincinnati	17,085	18,641	
Denver	57,590	62,464	
Fort Worth	30,910	37,188	
Indianapolis	36,130	38,611	
Kansas City	77,961	97,040	
Oklahoma City	36,770	49,880	
Omaha	165,605	165,714	
St. Joseph	53,401	56,335	
St. Louis NSY	80,739	84,967	
Sioux City	101,602	91,511	
S. St. Paul	95,411	96,413	
Totals	939,897	1,014,066	

CALVES

	CALVES	1957	1956
Chicago	5,380	6,012	
Cincinnati	5,276	5,531	
Denver	2,871	3,006	
Fort Worth	6,648	5,935	
Indianapolis	4,210	4,765	
Kansas City	4,384	4,007	
Oklahoma City	4,395	4,008	
Omaha	3,530	3,739	
St. Joseph	2,792	4,501	
St. Louis NSY	10,777	15,281	
Sioux City	1,364	1,033	
S. St. Paul	38,303	41,006	
Totals	94,230	102,861	

HOGS

	HOGS	1957	1956
Chicago	156,494	190,032	
Cincinnati	11,493	64,135	
Denver	11,726	12,975	
Fort Worth	12,598	15,398	
Indianapolis	180,210	199,344	
Kansas City	66,700	53,601	
Oklahoma City	17,443	20,665	
Omaha	139,958	180,388	
St. Joseph	107,239	122,074	
St. Louis NSY	290,880	278,455	
Sioux City	97,810	116,983	
S. St. Paul	199,182	212,936	
Totals	416,824	384,562	

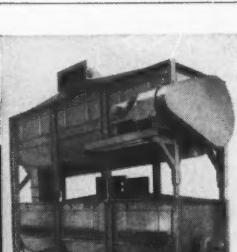
INTERIOR IOWA, S. MINN.

Receipts of hogs and sheep at interior markets compared, as reported by the USDA:

	Hogs	Sheep
April 1957	1,186,500	100,000
March 1957	1,435,500	102,000
April 1956	1,410,000	100,000

FRENCH FEATHER MEAL DRYER

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- Eliminates scaling problem
- Reduces odors
- Saves floor space



THE FRENCH OIL MILL MACHINERY CO.
PIQUA, OHIO

U.S.A.

Have you tried:
KENNETH-MURRAY
Livestock Buying
Service?



PACKERS' PURCHASES

Purchases of livestock by packers at principal centers for the week ended Saturday, May 18, 1957, as reported to The National Provisioner:

CHICAGO

Armour. 9,332 hogs; shippers, 9,208 hogs; and others, 19,810 hogs.

Totals: 29,054 cattle, 977 calves, 38,350 hogs and 2,819 sheep.

KANSAS CITY

Armour. 1,751 310 2,398 2,421
Swift. 2,620 573 4,038 960
Wilson. 1,213 ... 3,919 ...
Butchers. 4,347 83 1,857 ...
Others. 556 ... 3,112 4,885

Totals. 10,489 966 15,324 8,266

OMAHA

Calves and
Calves Hogs Sheep

Armour. 6,464 5,671 2,311
Cudahy. 4,181 5,559 905
Swift. 5,120 5,674 1,438
Wilson. 3,364 4,857 1,224

Neb. Beef. 723 ...
Am. Stores. 1,162 ...
Cornhusker. 604 ...
O'Neill. 1,310 ...
R. & C. 1,362 ...
Gr. Omaha. 911 ...
Rothschild. 1,422 ...
Roth. 743 ...
Kingan. 945 ...
Omaha. 308 ...
Union. 1,119 ...
Others. 1,009 6,554 ...

Totals. .30,975 28,115 5,878

ST. LOUIS NSY

Cattle Calves Hogs Sheep
Armour. 2,746 767 12,733 1,536
Swift. 3,359 1,255 16,348 1,943
Hunter. 1,231 ... 8,626 ...
Hell. ... 2,317 ...
Krey. ... 7,742 ...

Totals. 7,333 2,022 47,766 3,479

ST. JOSEPH

Cattle Calves Hogs Sheep
Swift. 3,013 276 12,960 3,833
Armour. 3,073 211 6,106 1,743
Others. 5,187 ... 4,766 581

Totals* 11,275 487 23,832 6,157

*Do not include 376 cattle, 3,000 hogs and 4,113 sheep direct to packers.

SIOUX CITY

Cattle Calves Hogs Sheep
Armour. 4,376 ... 3,420 1,887
Swift. 4,643 ... 5,174 324
S.C. Dr. ...
Beef. 3,805 ...
Baskin. 779
Butchers. 289 2 ...
Others. 6,563 2 12,677 814

Totals. 20,455 4 21,271 3,025

WICHITA

Cattle Calves Hogs Sheep
Cudahy. 1,017 252 1,744 ...
Dunn. 87
Sundowner. 66
Dodd. 121 ... 403 ...
Excel. 521
Armour. 51 ... 733 ...
Swift. 759 ... 27 7,763

Totals. 2,652 252 2,174 4,290

OKLAHOMA CITY

Cattle Calves Hogs Sheep
Armour. 1,450 97 878 1,970
Wilson. 2,001 227 1,222 1,261
Others. 2,150 121 1,277 ...

Totals* 5,601 445 3,377 3,231

*Do not include 1,406 cattle, 364 calves, 8,247 hogs and 4,905 sheep sent to packers.

LOS ANGELES

Cattle Calves Hogs Sheep
Ondaly. ... 421 ...
Swift. 464 15 ...
Wilson. 205 66 ...
Ideal. 1,173 ...
Athas. 750 ...
United. 473 1 112 ...
Com'l. 383 ...
Quality. 328 ...
G.R. West. 338 ...
Stater. 232 ...
Others. 3,014 479 363 ...

Totals. 7,390 561 896 ...

DENVER				
	Cattle	Calves	Hogs	Sheep
Armour.	972	...	3,185	
Swift.	1,870	100	2,890	2,879
Cudahy.	695	37	4,456	164
Wilson.	378	...	4,202	
Others.	8,484	144	2,019	657
Totals.	12,309	281	9,365	10,597

CINCINNATI				
	Cattle	Calves	Hogs	Sheep
Gall.	...	...	292	
Schlachter.	196	61	...	
Others.	3,750	1,182	11,425	150
Totals.	3,946	1,243	11,425	442

ST. PAUL				
	Cattle	Calves	Hogs	Sheep
Armour.	7,102	3,086	14,973	2,530
Bartsch.	1,507	...	...
Rifkin.	1,103	34	...	
Superior.	2,249	...	...
Swift.	7,733	2,142	22,186	1,121
Others.	3,830	2,704	7,957	...
Totals.	23,524	7,968	45,118	3,651

FORT WORTH				
	Cattle	Calves	Hogs	Sheep
Armour.	687	1,527	688	14,227
Swift.	1,607	1,806	1,844	13,223
Morell.	351	8	...	
City.	454	2	26	...
Rosenthal.	329	22	...	
Totals.	3,428	3,365	2,558	27,450

TOTAL PACKER PURCHASES				
Week ended	Same week	Prev. week	May 18	1956
Cattle	168,524	156,947	159,251	
Hogs	249,569	255,403	232,270	
Sheep	70,285	95,523	63,862	

CORN BELT DIRECT TRADING

Des Moines, May 22—Prices on hogs at ten concentration yards in Iowa and Minnesota were quoted by the USDA as follows:

Barrows, gilts, U.S. No. 1-3:
160-180 lbs. \$14.90@17.25
180-200 lbs. 16.90@18.25
200-240 lbs. 17.25@18.50
240-300 lbs. 16.05@17.85
300-360 lbs. 15.40@16.75

Sows, U.S. No. 1-3:
270-330 lbs. 15.85@16.00
3,000-400 lbs. 14.90@16.40
400-550 lbs. 13.25@15.50

Corn belt hog receipts were quoted by the U.S. Department of Agriculture as follows:

This week	Last week	Last year
est.	actual	actual
May 16	49,500	58,500
May 17	41,000	60,500
May 18	32,000	29,000
May 20	55,000	58,500
May 21	53,000	38,500
May 22	40,000	64,000

LIVESTOCK PRICES AT INDIANAPOLIS

Livestock prices at Indianapolis on Wednesday, May 22 were as follows:

CATTLE		Cwt.
Steers,	Ch. & pr.	\$23.00@25.00
Heifers,	gd. & ch.	20.00@23.50
Cows,	util. & com'l.	13.00@16.00
Cows,	can. & cut.	10.00@14.00
Bulls,	util. & com'l.	15.50@18.00
Bulls,	good (beef)	16.00@16.50
Choice & prime	...	24.00@25.00
Standard & good	...	18.00@22.00
Calves, gd. & ch.	...	17.00@22.00

HOGS, U.S. No. 1-3:		Cwt.
120/160 lbs.	...	15.50@17.25
160/200 lbs.	...	17.25@18.25
180/200 lbs.	...	18.00@19.00
200/220 lbs.	...	18.25@19.00
220/240 lbs.	...	18.25@18.85
2'0/270 lbs.	...	17.50@18.50
270/300 lbs.	...	17.00@17.50
Sows, U.S. No. 1-3,	180/360 lbs.	16.75@17.00

LAMBES:

New crop, gd. & ch. 22.75@23.25

Old crop (shorn) ... 18.00@19.50

WEEKLY INSPECTED SLAUGHTER

Slaughter of livestock at major centers during the week ended May 18, 1957 (totals compared) was reported by the U.S. Department of Agriculture as follows:

	Cattle	Calves	Hogs	Sheep & Lambs
Boston, New York City Area ¹	13,975	10,611	52,761	41,744
Baltimore, Philadelphia	8,536	1,289	28,761	3,313
Cin., Cleve., Detroit, Indpls.	19,910	8,188	103,371	16,184
Chicago Area	20,707	8,381	49,230	5,292
St. Paul-V. Areas ²	14,387	26,908	87,110	11,133
St. Louis Area ³	14,817	4,096	88,708	7,203
Sioux City, So. Dak. Areas ⁴	20,055	48,225	7,675	4,696
Omaha Area	33,538	406	67,833	12,083
Kansas City	9,932	2,313	31,204	7,061
Iowa-So. Minnesota ⁵	31,110	12,220	256,265	23,522
Louisville, Evansville, Nashville, Memphis	9,517	8,649	57,224	...
Georgia-Alabama Area ⁶	6,180	2,777	30,178	...
St. Joseph, Wichita, Okla. City	20,225	3,864	42,355	13,635
Ft. Worth, Dallas, San Antonio	18,854	7,578	34,986	...
Denver, Ogden, Salt Lake City	16,893	785	44,260	20,341
Los Angeles, San Fran. Areas ⁷	22,452	1,799	24,373	20,734
Portland, Seattle, Spokane	6,742	454	13,179	4,300
Grand totals	316,193	100,418	1,015,428	237,855
Totals same week 1956	287,702	95,942	891,258	208,087

¹Includes Brooklyn, Newark and Jersey City. ²Includes St. Paul, So. St. Paul, Newport, Minn., and Madison. Milwaukee, Green Bay, Wis. ³Includes St. Louis National Stockyards, E. St. Louis, Ill., and St. Louis, Mo. ⁴Includes Sioux City, Huron, Mitchell, Madison, and Watertown, S. Dak. ⁵Includes Cedar Rapids, Des Moines, Fort Dodge, Mason City, Marshalltown, Ottumwa, Storm Lake, Waterloo, Iowa and Albert Lea, Minn. ⁶Includes Birmingham, Dothan, Montgomery, Ala., and Albany, Atlanta, Columbus, Moultrie, Thomasville, Tifton, Ga. ⁷Includes Los Angeles, Atlanta, Birmingham, Dothan, Montgomery, Ala., and Albany, Atlanta, Columbus, Moultrie, Thomasville, Tifton, Ga.

LIVESTOCK PRICES AT 11 CANADIAN MARKETS

Average prices per cwt. paid for specific grades of steers, calves, hogs and lambs at 11 leading markets in Canada during the week ended May 11, compared with the same time 1956, was reported to the National Provisioner by the Canadian Department of Agriculture as follows:

Stockyards	GOOD STEERS		VEAL CALVES		HOGS*		LAMBS	
	1000 lbs.	UP TO	Good and Choice	Grade B ¹	Dressed	Handyweights	Good	1956
Toronto	\$19.76	\$18.07	\$27.24	\$25.00	\$28.50	\$23.28	\$23.75	
Montreal	20.00	18.50	28.35	26.75	28.35	19.00	19.00	
Winnipeg	18.44	17.25	23.20	24.00	27.87	20.33	18.37	
Calgary	17.41	16.61	22.75	22.08	26.35	19.83	20.93	18.57
Edmonton	17.75	16.50	24.50	24.00	27.00	20.50	18.00	19.30
Lethbridge	17.50	16.25	19.00	19.00	21.10	19.00	19.00	
Pr. Albert	17.15	15.90	22.75	21.50	26.25	18.90	18.90	
Moose Jaw	17.25	15.85	20.50	18.25	26.25	18.85	18.85	
Saskatoon	17.40	16.50	23.50	23.00	26.25	19.00	19.00	16.25
Regina	16.88	16.20	23.00	21.50	26.25	19.00	19.00	
Vancouver	17.70	16.00	20.50	19.00	26.00	19.00	19.00	

*Canadian government quality premium not included.
Spring lambs: Toronto, \$30.00; Montreal, \$33.00.

SOUTHERN RECEIPTS

Receipts of livestock at six southern packing plant stockyards located in Albany, Moultrie, Thomasville, Tifton, Georgia; Dothan, Alabama and Jacksonville, Florida, during week ended May 17:

	Cattle	Calves	Hogs
Week ended May 17	2,286	708	15,593
Week previous (five days)	2,537	417	10,886
Corresponding week last year	2,421	457	10,537

LIVESTOCK PRICES AT ST. JOSEPH

Livestock prices at St. Joseph on Wednesday, May 22 were as follows:

CATTLE		Cwt.

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SLAUGHTER REPORTS

Special reports to THE NATIONAL PROVISIONER, showing the number of livestock slaughtered at 13 centers for the week ended May 18, 1957, compared:

CATTLE			
Week ended	Cor.	Prev.	Week
May 18	wean.	1956	
Chicago	29,054	27,655	20,826
Kan. City	11,455	9,954	14,784
Omaha*	30,132	29,485	25,632
E. St. Louis	9,358	8,743	10,242
St. Joseph	10,920	10,120	11,555
Sioux City	14,621	13,429	10,106
Wichita*	3,089	3,156	4,689
New York & Jer. City	13,422	10,957	9,980
Oklahoma City	7,816	7,147	9,806
Cincinnati	5,100	4,042	4,007
Denver	12,680	18,192	21,130
St. Paul	19,694	17,648	17,053
Milwaukee	5,474	... 3,392	
Totals	172,824	160,628	164,300

HOGS			
Chicago	29,142	26,405	28,004
Kan. City	15,324	15,780	11,564
Omaha*	41,017	39,820	34,895
E. St. Louis	47,766	49,004	35,606
St. Joseph	24,275	24,784	19,387
Sioux City	13,290	12,806	14,040
Wichita*	7,619	9,461	8,369
New York & Jer. City	52,761	49,033	52,039
Oklahoma City	11,624	11,213	15,976
Cincinnati	10,690	10,849	11,696
Denver	9,365	10,608	11,908
St. Paul	37,159	34,314	32,649
Milwaukee	4,467	... 4,547	
Totals	304,500	294,077	280,080

SHEEP			
Chicago	2,819	2,009	2,215
Kan. City	8,266	9,489	7,969
Omaha*	7,848	8,974	6,225
E. St. Louis	3,479	3,075	2,637
St. Joseph	5,822	8,939	6,733
Sioux City	2,517	2,589	1,980
Wichita*	1,527	3,531	3,705
New York & Jer. City	41,744	33,525	35,237
Oklahoma City	8,136	6,022	6,450
Cincinnati	332	285	345
Denver	12,088	16,099	8,791
St. Paul	3,651	3,235	1,890
Milwaukee	417	... 591	
Totals	98,646	97,772	84,782

*Cattle and calves.
†Federally inspected slaughter,
including directs.

**Stockyards sales for local slaughter,
**Stockyards sales for local slaughter,
including directs.

CANADIAN KILL

Inspected slaughter of livestock in Canada for week ended May 11:

Week ended May 11	Same week 1956
CATTLE	
Western Canada..	17,900
Eastern Canada..	17,213
Totals	35,113
HOGS	
Western Canada..	47,622
Eastern Canada..	50,203
Totals	97,825
 SHEEP	
Western Canada..	1,836
Eastern Canada..	2,187
Totals	4,023

NEW YORK RECEIPTS

Receipts of livestock at Jersey City and 41st st., New York market for week ended May 18:

Salable	97	17	...	...
Total (incl. directs)	3,619	343	21,065	10,121
Prev. wk.	130	20	...	...
Total (incl. directs)	3,182	296	16,899	7,091

*Including hogs at 31st St.

CHICAGO LIVESTOCK

Supplies of livestock at the Chicago Union Stockyards for current and comparative periods:

RECEIPTS				
	Cattle	Calves	Hogs	Sheep
May 16..	2,551	1,333	9,394	1,486
May 17..	990	312	7,000	94
May 18..	26	6	486	381
May 19, 1957	19,187	197	11,018	2,354
May 21..	9,500	200	10,500	1,800
May 22..	16,000	300	10,000	1,300
Week				
so far	44,687	697	31,518	5,454
Wk ago	53,677	984	30,936	7,544
Yr. ago	41,018	1,256	28,323	3,719
2 yrs.				
ago	40,516	1,725	38,101	7,551
*Including 351 cattle, 6,876 hogs and 2,138 sheep direct to packers.				

SHIPMENTS				
	Cattle	Calves	Hogs	Sheep
May 16..	3,896	69	2,552	1,187
May 17..	2,115	1	1,430	517
May 18..	89	...	120	
May 19..	8,108	...	2,251	224
May 21..	5,000	...	2,000	400
May 22..	8,000	...	1,000	300
Week				
so far	21,108	...	5,251	924
Wk ago	21,817	120	5,226	1,910
Yr. ago	17,426	53	6,643	35
2 yrs.				
ago	14,903	170	7,618	2,522

MAY RECEIPTS				
	Cattle	Calves	Hogs	Sheep
1957	170	...	1,618	1956
Cattle	173,459	...	136,172	
Calves	5,604	...	6,080	
Hogs	157,375	...	164,795	
Sheep	25,899	...	17,450	
MAY SHIPMENTS				
1957	170	...	1,618	1956
Cattle	86,767	...	64,628	
Hogs	29,953	...	26,690	
Sheep	8,593	...	2,353	

CHICAGO HOG PURCHASES

Supplies of hogs purchased at Chicago, week ended Wed., May 22:

Week ended	Week ended	May 22	May 15
Packers' purch.	26,285	30,367	
Shippers' purch.	10,377	10,646	
Totals	36,662	41,013	

LIVESTOCK RECEIPTS

Receipts at 20 markets for the week ended Friday, May 17, with comparisons:

Cattle	Hogs	Sheep
Week to date	277,000	421,000
Previous week	257,000	422,000
Same wk.	263,000	398,000
1956	263,000	398,000
1957 to date	5,118,050	8,549,000
1956 to date	5,514,000	10,588,000
date	10,588,000	3,246,000

PACIFIC COAST LIVESTOCK

Receipts at leading Pacific Coast markets, week ended May 16:

Cattle	Calves	Hogs	Sheep
Los Ang. 7,100	825	925	375
N. Pland. 2,600	415	1,700	1,800
San Fran. 450	50	950	1,600

LIVESTOCK PRICES AT LOUISVILLE

Livestock prices at Louisville on Wednesday, May 22 were as follows:

CATTLE:	Cwt.
Steers, ch. & pr.	\$24.00@25.00
Steers, gd. & ch.	21.50@24.00
Steers, good	20.00@21.50
Heifers, gd. & ch.	19.00@22.00
Cows, util. & com'l.	13.00@15.00
Cows, can. & cut.	10.00@13.00
Bulls, util. & com'l.	16.00@17.00
VEALERS:	
Choice & prime	24.00@25.00
Good & choice	22.00@24.00
Utility	18.00@21.00
Heifers, gd. & ch.	19.00@22.00
Cows, util. & com'l.	13.00@15.00
Cows, can. & cut.	10.00@13.00
Bulls, util. & com'l.	16.00@17.00
VEALERS:	All Weights:
Ch. & pr.	22.00@26.00
Stand. & gd.	15.00@22.00
CALVES (500 Lbs. Down):	
Ch. & pr.	19.00@22.00
Stand. & gd.	20.00@22.00
LAMBS (New Crop):	
Ch. & pr.	24.00@25.00
Gd. & ch.	22.00@23.50
LAMBS (105 Lbs. Down) (Shorn):	
Ch. & pr.	21.50@22.00
Gd. & ch.	18.00@20.00
Gd. & pr.	20.00@22.25
EWEES (Shorn):	
Gd. & ch.	5.00- 6.50
Gd. & ch.	6.00- 8.00
Cull & util.	3.50- 5.00
Cull & util.	4.00- 6.00
Cull & util.	3.50- 4.50
Cull & util.	3.00- 5.00

*Including hogs at 31st St.

LIVESTOCK PRICES AT LEADING MARKETS

Livestock prices at five western markets on Tuesday, May 21, were reported by the Agricultural Marketing Service, Livestock Division, as follows:

St. L. N.S. Yds.	Chicago	Kansas City	Omaha	St. Paul
HOGS: (Includes Bulk of Sales):				
U.S. No. 1-3:				
120-140 lbs.	\$16.50-17.25	None qtd.	None qtd.	None qtd.
140-160 lbs.	17.00-17.75	None qtd.	None qtd.	None qtd.
160-180 lbs.	17.50-18.00	\$16.50-18.25	\$16.50-18.00	17.25-18.25
180-200 lbs.	18.00-18.75	18.00-19.10	17.75-18.50	18.00-19.75
200-220 lbs.	18.35-18.75	18.00-19.10	18.00-19.50	18.50-19.50
220-240 lbs.	18.75-19.25	18.00-19.50	18.00-19.50	18.25-19.25
240-270 lbs.	19.00-19.75	18.00-19.75	18.00-19.75	18.50-19.75
270-300 lbs.	19.75-20.50	18.00-19.75	18.00-19.75	18.75-19.75
300-330 lbs.	20.00-20.75	18.00-19.75	18.00-19.75	19.00-19.75
330-360 lbs.	20.50-21.25	18.00-19.75	18.00-19.75	19.00-19.75
Medium:				
160-220 lbs.	17.00-17.75	16.50-18.25	17.00-18.75	17.50-19.25
220-270 lbs.	17.50-18.25	17.00-18.75	17.00-18.75	17.50-19.25
270-320 lbs.	18.00-18.75	17.50-19.25	17.50-19.25	18.00-19.25
320-370 lbs.	18.50-19.25	18.00-19.75	18.00-19.75	18.50-19.75
370-420 lbs.	19.00-19.75	18.50-19.75	18.50-19.75	19.00-19.75
420-470 lbs.	19.50-20.25	19.00-19.75	19.00-19.75	19.50-19.75
470-5				

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ne qd.
25-17.50
25-18.25
50-19.50
50-19.50
25-19.50
50-19.50
.75-18.25
one qd.
one qd.

.75-17.50

7.00-17.25
7.00-17.25
5.50-18.75
5.25-18.25
5.50-18.25
5.25-18.25
4.50-18.25

None qd.

23.00-24.50
23.00-24.50
23.00-24.50
23.00-24.50

20.50-22.00
21.00-22.00
21.00-22.00
20.50-22.00

19.50-21.00
19.50-21.00
19.00-21.00

17.00-19.00

14.00-17.00

22.50-22.50
23.00-24.00

20.50-23.00
20.50-23.00

18.50-20.50
19.00-20.50

16.00-18.00

13.00-16.00

14.50-18.00

13.50-14.50

11.00-13.00

None qd.
0 15.00-16.00
0 15.50-17.00
0 15.00-18.00

0 23.00-25.00

0 17.00-23.00

18.00-20.00
14.00-15.00

None qd.
00 None qd.

00 21.00-22.00
.50 19.50-21.00

d. None qd.

.25 5.00-5.50
.00 3.00-3.50

AY 25, 192